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THE WHITE HOUSE

REMARKS OF THE PRESIDENT  
TO THE  
HOST BREAKFAST

COMMUNITY CONVENTION CENTER

8:50 A.M. PDT

Mr. Reed, Governor Brown, Lieutenant Governor Dymally, Stuart Davis, members of the Host Committee, ladies and gentlemen:

This has been a week that I will long remember with great satisfaction, a week that found Dr. Kissinger returning to Washington with some important answers to a very critical situation in the Middle East.

I believe, and believe very, very strongly, that all Americans can take pride in his -- and our Nation's -- continued and now successful efforts to bring peace to an area of the world that has known so little of it in the last quarter century.

Dr. Kissinger's ability to come up with good answers comes as no surprise to me. In July, when we were in Europe, I visited one of our military bases in Germany, and during the tour of this military installation, I picked up a copy of Stars and Stripes, the service newspaper that some of you may have read while you were in the service or touring in any of our installations on a worldwide basis.

The next morning, I was looking through it as I was having breakfast and saw a column about contestants in the Miss Universe contest.

On a questionnaire, they were asked, these beautiful gals, to name the greatest person in the world today, and 50 percent of the Miss Universe contestants who answered said Henry Kissinger. (Laughter)

Then I looked very carefully through the rest of the story and couldn't see my name mentioned at all.

So, I circled the story and asked a staff member to take it down the hall where we were staying to Secretary Kissinger and to ask Henry -- one of my most astute advisers -- why 50 percent of the most beautiful women in the world had voted for him and I didn't have a slight mention.

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The aide walked down the hall, showed the story to Henry, who was eating breakfast, and repeated my question.

For a long while Henry didn't say anything, he just sort of kept looking at the story and smiling somewhat self-contented to himself. (Laughter)

So, my aide, who had been waiting for Dr. Kissinger's answer, cleared his throat and said, "What should I tell the President?" Henry said, "Tell him to just eat his heart out." (Laughter)

This morning, I have come to California to raise some questions that are facing this Nation, and I hope you will find some of the answers I will give a bit more responsive.

An organization such as your own that meets once a year has a tremendous advantage of perspective. You tend to focus on the long-range sweep, the sweep of events that are, I believe, fortunate; the long-range sweep 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 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 was 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.

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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 almost frightening. But our vehicle, the American free enterprise system, has once again proven sound.

A year later finds our economy on the straightaway and beginning to climb. I was particularly interested in a comment made by Mr. Davis--the disappointing results of productivity in America. The statistics just released a day or two ago indicate that we have made for the first time in some months a rather significant improvement and increase in productivity in America and I wholeheartedly agree with him that this is an area where we must maintain an up-hill climb in the increase of productivity.

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 1,200,000,000 Americans have found jobs and are gainfully employed.

And the figures for August, released this morning in Washington, add another 275,000 jobs to this total. So we are making progress.

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, and I quote, "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 national resource is her people, and I intend to see that that resource is not endangered.

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 America is a buying America, and investing America, a saving America. Unemployment checks are to maintain life, paychecks are to enrich life. No American can successfully engage the pursuit of happiness until the needs of adequate food, clothing, shelter, education and employment are met.

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If we are to meet the employment requirements of our expanding populations by the year 1980, we must create over 11 million new jobs, 11 million new jobs to build houses, harvest the fields, manufacture 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 can we do it? Well, first let me tell you how it cannot be done.

In recent years a disproportionate percentage of new jobs have come from the public sector rather than the private. The result has been the creation of a bureaucracy that contributes very little to America's prosperity and productivity. It simply shares 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 very 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 technicians and technologies now compete with American products often produced by older, less efficient methods.

We are still number one, but throughout the world we have a lot of number twos who are trying much, much harder.

We have no choice but to compete, and I say with emphasis, to excess. Personally, I have no doubt that we can do it if the private sector is given the opportunity to modernize, expand and to secure the tools and the technologies that a first class economic machinery requires. It won't be easy.

Some estimates have placed America's total investment requirement in the coming years at the astonishing figure of \$4 trillion. Even the figure is imposing. It is four followed by twelve zeroes.

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I consider this a \$4 trillion vote of confidence in the future of the United States industry, business and agriculture.

Economists call it capital formation but I prefer a much more basic term. To me this means job creation. It is the wherewithal that creates the plants, the factories and the machinery that in turn requires the skill and the efforts of an American labor force second to none. It is what we need, as I see it, to get all America back to work again.

The reforms of 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 of our economic expansion which is required. They will give job seekers a paycheck instead of a raincheck.

The time has come. Because of the recession, our plants, our factories are under-utilized. 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 that they will be able to do their job.

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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 by any standard 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 the multifaceted 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 the Government contributes is added cost, contradiction and confusion, and confusion there is.

The Consumer Product Safety Commission recently bought 80,000 lapel buttons with a message promoting toy safety, but it developed that a lead paint had been used on the button. (Laughter)

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. (Laughter)

It is stories like that that are enough to make you lose your buttons. (Laughter)

Competition and 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 one of their department stores, look at the variety of goods, the quality of the workmanship, the imagination in the design of packaging but, above all, look at the price, then consider this price in terms of what an average worker in that country earns.

Such a visit will only take a very few minutes, but it will be the best lesson in instant economics and the productive genius of American industry that 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 about 90 years, but it has more than made up for this relatively late start. (Laughter)

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Starting from point zero, about a century ago, the Federal Government now employs over 100,000 people, whose sole responsibility is writing, reviewing and enforcing some type of regulation, 100,000 people whose principal job is telling you how to do your job.

It is a bureaucratic dream of heaven, but it is a nightmare for those who have to bear the heavy burden.

Just to list all of the rules and regulations established last year required 45,000 pages of very small type 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 motives, but the nature of regulatory bodies is to regulate even when prudence and changing circumstances would indicate that 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, many cases they will pay higher prices than a free market would call for.

Even worse, the Mulligan stew of Government rules and regulations, often one conflicting with another, has created a nightmarer of red tape, paper shuffling and new lights of counterproductivity.

I am determined that our Nation's consumers and businessmen be relieved of this gratuitous burden. But remember, these regulations and the regulatory bodies are the creation of the Congress over a longer period of time. They are mandated by law.

As President, I can propose, I can urge, I can even needle a bit, but it is only the Congress in the final analysis that can act.

The regulatory reform legislation I proposed will seek to eliminate the obsolete, the unnecessary, the impractical and yet the impossible. Let's retain what is truly helpful and required in Federal regulation-- it is a minimum amount. Let's get rid of the rest, and the sooner the better.

If I had to capsulize my views on Government, it would simply be this: Bigger is not necessarily better. Indeed, bigger is often the reason it isn't better.

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In my 26 years in Washington, I have seen first hand the astonishing growth of the Federal Government's involvement in our lives in America. 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, many Federal programs and agencies and departments begin. I have seen very few ended.

There is a spirit here in California that has its roots in the character of the pioneers whose first settled here. It is a spirit of fears 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.

Men who have overcome the towering obstacles of the past need fear no problems in the future if we are free to utilize our potential. We can get the American economy off the roller coaster of booms and bust cycles and into a sustained and substantial pattern of growth.

We can create jobs for all who want them and incomes for all who need them. We can live the future for our forefathers as they dreamed it.

Help me, help your Representatives in Congress, help your Governor, help your State Legislature, help us all to free the free American enterprise system. Give America the means and the Americans will find the way.

Thank you very much.

END (AT 9:14 A.M. PDT)