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THE WHITE HOUSE

REMARKS OF THE PRESIDENT  
UPON HIS SIGNING  
OF THE  
ECONOMIC REPORT

THE CABINET ROOM

11:06 A.M. EST

Good morning.

Before signing the Economic Report of the President, let me thank the members of the Council of Economic Advisers, the Chairman Alan Greenspan, and Paul MacAvoy and Burton Malkiel.

No document of this size and of this importance was put together just by the three members of the Council. It is the result of the effort and the talent, the ability of the whole staff that worked under the Chairman and the two members of the Council.

There is one person that I have learned who has had a lot to do with some 30 of these reports by various Presidents -- Frances James has been with the Council from its inception in 1946. She is concluding -- I am not saying she is leaving -- but concluding 42 years of very outstanding service in the Federal Government and has had a very significant impact in the preparation of 30 of these reports by the President, and I congratulate her as well as the total staff.

As we move into 1976, I think we have to take a look back at 1975. It was a very tough year and a great many Americans have deep concerns even today about unemployment as well as inflation. However, the progress that we have made in the latter months of 1975 should give us strong hope and expectations that 1976 will be a far better year.

We have a steadily improving economy now and the policies that we followed in 1975 and the policies that we are following today will improve the economic picture in the months ahead.

I think we have to be realistic and look back at 1975 and know that this country went through the sharpest, deepest recession since the end of World War II, but we have made a great deal of progress.

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It is encouraging, certainly, that we have as of December some 85 million-plus Americans working in our economic system. Since March, which was the bottom of the recession, we have added approximately 1-million-2 to 1-million-3 more gainfully employed and the prospects are that we will continue this upward effort in employment and a reduction in unemployment. The unemployment rate is far too high but the trend is very encouraging.

If we look at the other concern of the American people -- inflation -- we also have some very encouraging results at the present time and the forecast is also encouraging. I was looking at the comparison between December of 1974 and December of 1975. The consumer price index in that span of time went up 7 percent but in the previous 12 months the increase was something over 12 percent. The rate of inflation is still too high but it is a lot better than it was 18 to 24 months ago.

The interesting thing is that there were a lot of scare tactics during the early part of 1975. Some speculation involved a financial crisis in the United States. It never materialized. There was speculation to the effect that foreign investment, trade and the like would also collapse; it never took place. There was some speculation about a dollar for a loaf of bread; it never took place. There was speculation about a dollar a gallon of gasoline; it never took place.

We came out of this very sharp recession in good shape. We laid a foundation through good policies so that the future should be encouraging to all Americans. The policies involved a firm, steady, long-range plan for the reviving of the American economy. The policies included cushions to help those who were unemployed, those who were in difficulty for economic reasons and those programs will be continued as needed.

Lastly, we are seeking to remove and to eliminate those Government policies and institutions that handicap competition. As we look to 1976 I am very encouraged that trends are all right, all moving in the right direction. We are going to do better on unemployment. We are going to do better in trying to control the rate of inflation.

So I want to thank Alan and his associates for helping me decide some of these tough questions in the last 18 months. Those policies, I think, have been proven right and we are going to continue a firm, steady rate of progress in the months ahead.

So with those observations, I will sign a few copies here.

Congratulations and my deep appreciation to all of you. It is good but somewhat hard reading. It is a little better than the one we submitted last year.

Thank you all very much.

END (AT 11:11 A.M. EST)