

FOR IMMEDIATE RELEASE

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THE WHITE HOUSE
REMARKS OF THE PRESIDENT
TO THE
27TH NATIONAL CONVENTION OF THE
AMERICAN TEXTILE MANUFACTURERS INSTITUTE

THE FAIRMONT HOTEL

10:58 A.M. PST

Members and guests of the American Textile
Manufacturers Institute:

It is good to see you all here, and I am deeply grateful that you made some room in your busy schedule for my opportunity to say hello to so many of you that I have known over the years.

It is good to see old friends and to say hello to new ones. I could not be in -- as a matter of fact, John, I just could not be in San Francisco a bit today without stopping by for a few minutes on this occasion of your 27th annual meeting.

It also gives me an opportunity to personally extend my very best wishes to Bob Jackson on his retirement as your Executive Vice President. As I said in my special message yesterday, I understand it was read -- Bob has made a very great contribution to the American Textile Industry, as well as to the strength and the vitality of the American free enterprise system. We all wish you the very best, Bob.

Your theme, as I understand it, at this convention is "Textiles are our first great industry," and it is appropriate that you should have that title on our Bicentennial year. It also reminds us, however, that today the textile industry is one of the largest industries in our country.

I was interested in reading the history that when Samuel Slater built the country's first spinning wheel in 1790 on the Block Stone River in Pawtucket, Rhode Island, the nation was very, very young. In the 186 intervening years, the textile industry has played a very major and massive role in our nation's economic growth from the beginning to the present.

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As John was telling me, it is now the largest employer of labor in manufacturing with combined textile and apparel manufacturing accounting for some 2,400,000 jobs out of 86,600,000 jobs, according to the last statistics by the bureau in the Department of Labor. Fortunately, your industry was one of the very first to come out of our recent recession, but because all of the trends that we see today, all are plusses, I think this industry, as well as the country, can look confidently to continued economic recovery this year.

We have had, it seems, good economic news about every Friday for the last month or five weeks. First we had a substantial drop in unemployment; a very significant increase in employment. Then we had good news when there was actually a reduction in the Wholesale Price Index and then last week we had additional very beneficial news indicating that the increase in the Consumer Price Index was also very, very small.

But, this morning, flying out, I was reading one of the morning newspapers from the East Coast, and I could not help but quote from it because I think this is the fundamental that will determine whether or not we have a continued, improving economic climate in the months ahead. According to the University of Michigan Survey Research Center, they are saying the following, "Consumer confidence improved sharply in the last three-month period."

Let me quote several of the portions from that report. "The recent sentiment, improvement is sufficiently large, and broad-based across all income groups, so that it is not likely to be reversed in the months ahead." They also said this rise in consumer optimism, coupled with pent-up demand for various goods and services, suggests that a substantial increase in consumer spending is clearly in prospect.

They went on to say news in the months ahead, "that the economic recovery is fast, could result in a genuine boom in consumer spending. For the first time in three years, more respondents -- 47 percent -- We are expecting good times in the next year than those expecting bad times -- 29 percent.

So, when we have the good figures on employment, on unemployment, Wholesale Price Index, and the Consumer Price Index, plus the obvious regeneration in enthusiasm in the consumer sector, I think all of us can honestly look forward to increasing progress toward the prosperity that we all want so very badly.

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But, let me add, if I might, I am fully aware of the competitive situation that is facing the textile and apparel industries, and I can assure you that I am determined to support your efforts to keep this industry or these industries strong and thriving.

As you well know, the United States imports textiles and apparels from about 120 countries. We have joined with 50 other countries in the multifiber arrangement to provide the ground rules to assure that worldwide trade can continue to grow without disruption.

In this international framework, the United States has negotiated 18 agreements; 16 have been signed and two more are expected to be signed very shortly. The multifiber agreement, which has been in force under GATT since 1974, in January, has been under review during the past year, within the Administration at the highest level, to consider whether it should be extended, modified or discontinued.

Although it is by no means a perfect instrument, you recognize it, and so do I, that our review certainly suggests to us that MFA has functioned reasonably well, and I have therefore concluded that the United States Government should seek a renewal of the multifiber arrangement, and I will instruct our textile negotiators to pursue its renewal in the GATT textile committee.

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Some of the largest producers in the world of textiles are not a party to the multifiber arrangement and I am aware that there is considerable concern in the United States textile industry today about rapidly rising imports from some of these nations.

I can assure you that I share your desire to avoid disruption of our domestic textile market from any source. The matter is presently in review at the Cabinet level and I am taking a personal interest in the problem and following these deliberations very closely. I can assure you that I am genuinely committed to finding the most appropriate way of dealing with the problem to insure that our domestic market is not seriously disrupted and that our objectives under the multifiber arrangement are met. I can assure you that they will be.

Other steps also need to be taken to keep our textile industry strong and prosperous including reform of our regulatory system. We need to insure that legitimate concerns over noise levels, dust and water pollution are met at a pace and at a level that can be sustained by the industry and by the economy.

And I am also familiar with the fact that with the impetus that had started in some of these areas a few years ago, there were efforts made to go too far too fast and what we are trying to do in a responsible and reasonable and constructive way is to swing the pendulum back so we can balance, I think equitably, the needs of the economy on the one hand and the other problems on the other.

But also high on the list of needs in your industry is energy conservation and development and availability. As users of natural gas in the finishing of your fabrics. You know far, far better than I how important it is that we have an adequate supply of this vital resource.

And as users of manmade fibers you know again far better than I how important it is that we have an adequate supply of petroleum. In order to be certain that these vital supplies are available for all American industry, I continue to support vigorously, as I have from the very outset, the deregulation of natural gas and the development of energy conservation ethic. These are essential.

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These two programs are absolutely essential in achieving energy independence for the United States and, obviously, I have your support. As we look at the problem of deregulation of natural gas, we were able to get from the United States Senate late in 1975 the Bentsen-Pearson Bill which gave us a opportunity to achieve the deregulation of natural gas. We made a massive effort -- and I believe that many in this audience worked with your Members of the House of Representatives to try and get the House to do the same -- probably the greatest disappointment in this session of the Congress has been the fact that we lost that vote in the House of Representatives by, I think, a difference of three, something like 207 to 204.

Unbelievable that Members of the House of Representatives could not understand, could not realize that the only way you can stimulate more exploration for natural gas is to give to those who are willing to invest an opportunity for a fair return on their investment. And as long as we keep the lid as is the case under existing law, you are not going to have any real exploration effort to try and find more of this resource in this country.

Then the bottom line is what really bothers me. In the month of February of this year we imported more oil from foreign sources than ever in the history of the United States, better than 7 million 100 thousand barrels per day. And last week or the week before -- I am not sure which -- it got up to 8 million plus barrels per day, and while we are buying more imported oil, if the trend is like that, there is less and less production of crude oil and natural gas from domestic sources.

So any help you can give us in trying to get this legislation through -- we have got problems -- would be, I think, totally in the national interest.

But let me go on to several of the other ongoing concerns that I know you have. I recognize that you are concerned about American technological development in the textile field. Too often we have become an importer of textile technology rather than the exporter that we once were as a Nation. Industry must provide adequate research and development funds in this area and it should be that these funds are not the first to be cut during tough times, and having just gone through a budget preparation experience -- much like, I am sure, you do in your respective companies when you are trying to hold down expenditures, as we are -- the temptation is to reduce research and development because it does not have an immediate impact over effect.

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And I was faced with that problem, research and development for the Department of Defense, research and development for our energy program, whether it was solar energy or geothermal energy sources.

I made a decision -- and I hope that you will in your industry -- that we have to make those long-term commitments, and so I increased the research and development money across the board for the Federal Government by 11 percent. It was about double the increase in the proposed spending for the Federal Government as a whole in the next fiscal year.

If we don't make those kinds of investments now, we can't keep pace in the generations ahead with other countries that are rapidly achieving far more than anyone anticipated, a research and development capability which obviously materializes into hardware of one kind or another.

Of course, I think we have to recognize that as we work on our economy that we should expand, if we can, these efforts in research and development in the other areas. Our policies as a Nation of balanced economic growth, avoiding the pitfalls of inflation on the one hand and the boom and bust psychology on the other, I think can assure us that we will have the funds to invest today and more to invest in the future.

Our policies of freeing the private enterprise system from some excessive paperwork and unneeded regulation can also be helpful, not only in getting your job done, but relieving the bureaucracy in numbers and paperwork in Washington.

Our policies in this Administration of providing industry with adequate incentives for capital investment can also insure our continued growth and prosperity.

I was deeply disappointed to read last night in some of the news reports that I got that the House Committee on Budget has rejected the proposal that I made in January for an added reduction of some \$10 billion in personal and business taxes beginning July 1. I believe that if we are going to provide the jobs that are needed for some 2 million young people who are coming into the labor market every year, we have to go to the private market where five out of the six jobs today are available for those who want to work.

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So if you can help us, and we will help each other, we will help the country by convincing the Congress that tax reductions providing incentive for individuals to spend and business to invest is a far, far better way than piling on extra spending for make-work jobs in the public sector.

John, and all of you from the textile industry, I thank you for giving me a few moments this morning. I am grateful for this opportunity, and let me assure you that in the future I will continue to work with you and I know that I can depend on your help and assistance. And if we work together with policies that are sound and we don't panic, we don't try quick fixes that never worked and won't in the future, if we do all of these things together, 215 million Americans, we can have an increasing rise in our standard of living, we can keep our Nation strong to deter aggression, to maintain the peace, and to protect our national security and give to those that follow us an even greater America than the one that we have enjoyed.

Thank you very, very much.

END (AT 11:17 A.M. CST)