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Office of the White House Press Secretary
(Shreveport, Louisiana)

THE WHITE HOUSE

TEXT OF REMARKS BY THE PRESIDENT
TO BE DELIVERED AT A FORUM OF
THE GREATER HOUSTON BUILDERS AND CONTRACTORS ASSOCIATION

HYATT REGENCY HOTEL
HOUSTON, TEXAS

It is a great privilege for me to join you for this meeting of the Houston Builders Association. I congratulate you all for the part you have played in the amazing growth of the Houston area in recent years.

You have doubled the office space in Houston in just six years, and you rank third in the nation in cumulative construction activity over the past ten years.

With a thousand new residents a week, and generally favorable mortgage interest rates, housing starts here in Houston are among the nation's most encouraging, with 4,388 in the last quarter alone, and there is an anticipated demand of 28,000 new units between now and 1978.

Net new savings at Texas thrift institutions in January of this year were 54 percent higher than in the same month last year.

Twice as many building permits were issued here in the first quarter of 1976 as in the first quarter of 1975, and nearly three times as many in March of this year as in March of 1975. Even nationwide, where construction activity has been much slower recently, we are seeing some very encouraging signs of progress. Building permits throughout America in each of the first three months of this year have been 100 percent greater than in the same three months of 1975.

With a balanced Federal budget -- and I fully intend to get one by fiscal 1979 -- we can get the government out of competition with you in the private money market. We can let your business get bigger instead of letting government get bigger -- and that's my plan, I can assure you.

For the present, your industry is already being helped by the economic recovery we are enjoying throughout America today. We are making very encouraging progress in combatting both of our most powerful economic enemies -- inflation and recession.

The consumer price index for the first quarter of 1976 reported an annual inflation rate of only 2.9 percent -- the lowest rate of inflation in four years. I can't guarantee it will continue to be that low with every report. But when you look back to the 12.2 percent inflation we were experiencing during 1974, when I first became President, you can easily see that we've made real, solid, dramatic progress against inflation -- and we're going to keep the pressure on.

(MORE)

We've made progress in fighting recession, as well. More than 86,700,000 Americans are on the job today. That is more than we have ever had in the American work force at any time in our history.

Considering where we started -- with the worst recession in 40 years -- I'd say that's a pretty good comeback by any standard. Furthermore, the Department of Commerce announced last week that the Gross National Product -- the value of all goods and services produced in America -- rose at an annual rate of 7-1/2% in the first quarter of 1976.

Real earnings for the American worker are up dramatically over what they were a year ago. Total retail sales are up more than 17% from last year -- and the index of consumer confidence is about double what it was just twelve months ago.

The fellows who are after my job may try to deny it, but the plain fact of the matter is -- we are on the road to a new prosperity in the United States of America -- and we're going to stay on that road in the months and years ahead.

Finally, let me say that while this strong recovery is very gratifying, this nation has still not come to terms with one of the major causes of the recession itself.

I am referring to our dependence on foreign energy sources for domestic energy needs. It is a tragic and very frustrating fact that our dependence has actually increased rather than decreased since the Arab oil embargo of 1973.

During one week in March, for the first time in America's history, we imported more crude oil and petroleum products than we produced here at home.

I have done everything possible--given the opposition of a very uncooperative Congress to remedy this serious situation.

In my very first State of the Union Address, in January of 1975, I laid out a plan to reverse these dangerous trends that have placed not only our energy needs, but our economic future in jeopardy.

Fifteen months ago, I recommended decontrol of oil and new natural gas prices. The Congress deliberated and delayed and debated and dawdled all the way from January to December of last year, and finally sent me an energy bill. It was a long way from perfect, but at least it was a start. In that bill, the Congress agreed for the first time to remove controls on oil prices. Unfortunately, the Congress insisted that full decontrol be carried out over a 40-month period. I indicated last December that I would order immediate steps to remove controls on petroleum products. I also pledged that I would use all the flexibility available in the legislation to allow the increases in crude oil prices that are necessary to stimulate domestic oil production.

We have already sent to the Congress the plan for decontrol of residual oil and this decontrol plan will go into effect on June first. Plans are also being prepared to decontrol distillates and gasoline. We are moving in the right direction in this area -- both to provide the productinn incentives we need and to reduce the control of the Federal bureaucracy.

But my goal is, has been, and will continue to be the removal of all price controls from oil and new natural gas, as the best way to achieve energy independence in America.

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Last week the Texas Independent Producers and Royalty Owners Association expressed its support for my efforts to achieve energy independence.

I appreciate that support, from one of the largest petroleum associations in Texas, and let me assure you I intend to keep right on with these efforts for the next four years.

I know some people didn't like the fact that I signed this energy bill. But there were some others who didn't like the fact that I vetoed the common-situs picketing bill, either.

If we wait for legislation on anything that completely satisfies everybody, this country is in for a long and dangerous period of inaction, and that is something we just cannot afford.

My Administration for the past 20 months has pursued policies that reflect the common sense and the pragmatic realism which today's complex problems demand -- not the simplistic proposals that sound so good on the campaign trail. My experience tells me that I must deal with the world as it is if we are to make it the world we want it to be.

Our policies have been successful, and they promise even more success and more progress in the future.

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