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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AT THE
CENTER FOR THE PERFORMING ARTS

12:10 P.M. PDT

Halsey, Congressman Pete McCloskey, Congressman Al Bell, your outstanding Mayor, Janet Hayes, ladies and gentlemen:

It is just an overwhelming welcome, and from the bottom of my heart I thank you all very, very much. Let me say, if First Mama was here she would love each and every one of you. (Laughter)

I really enjoy the company of Americans who are working to bring more jobs and greater prosperity to our country, and that is why I am especially pleased to be with all of you here today.

I have heard about your program. I know what you are trying to do. And I just compliment you and certainly extend to all of you the respect and admiration of 215 million other Americans. I am proud of you, as you should be proud of yourselves.

One of my greatest responsibilities as President has been the task of revitalizing our economy. In meeting that challenge, I have placed full confidence in the strength of our free enterprise system and you have shown that faith is totally and fully justified. On your own here in San Jose, with your enterprise, your initiative, you have established an international business park to create millions and millions of dollars in new revenue for this area as well as provide as many as some 12,000 jobs over the coming years.

The new Foreign Trade Zone within the park will also strengthen our participation in the international market. It is good for you and it is good for the country, and I wish you the very, very best with your international park and the Trade Zone, and I congratulate the members of the Chamber of Commerce on your new office building, and I thank you all for making my job a good bit easier. I am very grateful and very thankful.

Now, your economic outlook here in San Jose looks bright and I see the optimism all over the country, but I think we have to be honest and say it wasn't always so.

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Just 21 months ago America's prosperity and America's economy--threatened by a chilling combination of recession as well as inflation. Some of America's leading economists and politicians thought it best to impose wage and price controls to deal with America's economic problems. Others insisted that we spend massive amounts of Federal dollars to stimulate the economy despite the danger of feeding an already dangerous inflation.

The way to real recovery, enduring prosperity in America was not through Government quick fixes. It has never worked in the past and I knew deep in my heart it wouldn't work in America in the future.

I had a faith in America that it, as a country, and 215 million of us, would work our way out of its economic difficulties rather than to try and spend our way out. I proposed, and the Congress accepted, a major tax cut for individuals, tax incentives for business to expand and to increase job production so that we could get the great free enterprise system in this country working at full speed again.

We also began a comprehensive effort to restore the confidence of the American people in themselves, in their Government, and in their future. This was absolutely essential -- to restore the economic confidence of the consumer, a very, very key element in a recovery policy.

As we look back over the last 21 or 22 months, these policies have been successful. America is in the midst of a strong and surging recovery, and we, as Americans, should be very proud of it, as I am.

The real Gross National Product rose during the first quarter -- January, February and March of this year -- at an annual rate of 8-1/2 percent -- far, far above even the most optimistic predictions. Since the bottom of the recession about a year ago, we have gained 3,300,000 jobs, and more than 700,000 new jobs in the last month alone. More Americans -- 87,400,000 -- are on the job today, more than ever before in the history of this great country. We are moving dramatically in the right direction, but I will not be satisfied until every American who wants a job can find a job.

We will not achieve full employment by letting the Federal Government plan and control our national economy. Just over a week ago I proposed to the Congress a four-year agenda for action on comprehensive regulatory reform in every major segment of our economy.

My Administration, since I have taken this great trust in this wonderful office, has undertaken some of the most fundamental reforms in Government regulations and in reporting requirements in the Nation's history.

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Small businesses in this country spend something like \$18 billion every year just to comply with Government reporting requirements. Most of the merchants in America are small businessmen and women, and it is time they got back to working for their customers instead of working for the Federal Government. And it is time the Government minded its own business and let you run yourself and your lives.

More Government will not solve America's economic problems. The answer is less Government control, less wasteful Government spending and lower taxes for middle income Americans.

I want to cut your Federal income taxes by some \$10 billion, beginning July 1 of this year, just a few weeks away. I want to increase the personal exemption from \$750 per person to \$1,000 per person. I want to enact an accelerated depreciation allowance and another investment tax credit to retain the \$50,000 corporate surtax exemption.

Let me change the subject, if I might. I have vetoed 49 bills sent to me by the Congress over the last 21 months. Responsible Members of the Congress sustained 42 of those vetoes and, incidentally, those vetoes have saved the American taxpayers \$13 billion.

If the Congress keeps on sending me big spending budget-busting expenditure bills, I will use my veto again and again and again. And that is in the best interest of this country.

If the Congress would act responsibly -- and that is pretty hard for a majority of them, not Al or Pete, of course -- if they would enact my tax cut proposals instead of thinking up new ways to spend your money, we could create in this country a tremendous demand for goods and services that would mean many, many more American jobs and lasting prosperity. That would be the inevitable result.

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One of the most encouraging economic statistics is the index of consumer confidence. That is all of us, 215 million of us in this great country. Well, it is going up double what it was a year ago. In economic terms, that means, of course, the American people are spending more money, moving more goods, and even willing to borrow again for major purposes for the future.

It means the American people are looking to the future with faith instead of fear. I have restored that faith by making my Administration an open, candid and forthright one, and I will promise no more than I can deliver and I will deliver everything that I promise.

As we came from the airport to this wonderful facility, I had an opportunity to talk with Mayor Hayes. She discussed with me the absolute need and necessity for Congress moving on the extension of general revenue sharing.

Now, that term or title doesn't necessarily mean a great deal to all of you, but let me be quite specific. Back in 1972 it was decided that we ought to give to the 39,000 local units of Government, including San Jose, and the 50 States, about \$5 to \$6 billion a year so that the local people would make the decisions as to how that money would be spent instead of having some far-off bureaucrat in Washington telling you what you in San Jose ought to have or shouldn't have.

Well, that program has been a tremendous success, and I have talked to Mayor Hayes about it. I led the fight for that legislation in 1972. A year ago I asked the Congress to extend that legislation for another five and three-quarter years. It is almost unbelievable that the Congress hasn't acted upon that legislation.

I know that my two former colleagues here in this auditorium today agree with me. But, if that legislation is not enacted soon, it means that the States -- 50 of them, and the local units of Government, 39,000 including your great community of San Jose -- will either have to increase taxes or reduce services.

I urge you in every way that you can to stimulate the Congress to moving on this legislation. I am proud of the fact that I fought for it, and I am fighting for it now, and I don't understand those other Presidential candidates who don't think it is a good idea. It is good for San Jose, it is good for California and it is good for America.

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I was also told on the way in that there were some wonderful senior citizens in this audience here, and I would like to talk to them quite specifically, as well as talk to some of the people who are about to retire. For too long a time there has been a disposition on the part of the Congress to duck the problem that we face as to the financial integrity of the Social Security Trust Fund.

When I looked at the figures last November and December it was obvious to me that we had to face up to the fact that in a 12-month period, right now, there will be a \$3.5 billion deficit between revenues on the one hand and expenditures and benefits on the other.

If we don't act affirmatively and face up to the hard issue, it means that next year there will be a \$4 billion deficit and the following year it will be over \$4 billion. This trust fund could soon come down to zero.

I think every public official in this country owes an obligation to our older citizens because they have earned what they get from the Social Security Trust Fund, and we won't let you down. Those politicians who duck the issue I think are not playing fair and square with the 33 million Americans who are today receiving benefits and the millions and millions of other Americans who are paying and expect their Government to live up to its obligation.

As long as I am President, we are going to find a way to keep our commitment to those under Social Security. I assure you of that. As I finish, let me ask each and every one of you, and I hope and trust that the record I have carried out for the last 22 months would justify your support. We have returned peace to America. We have the capability militarily and diplomatically to insure that peace.

We have turned our economy around, and we are on the upswing of a surging prosperity. Everything that is supposed to be going up is going up and everything that is supposed to be going down is going down.

Finally, I think I have restored trust in the White House and the Oval Office. I want to pursue a steady, constructive course that has led us from war to peace, from recession to recovery, from cynicism to confidence, and from fear to faith. With your support, with your mandate for the next four years, I will continue to work for an America where life is valued for its quality as well as for its comfort, where the individual is inviolate in his constitutional rights and where the Government serves and the people rule.

Thank you very, very much.

END (AT 12:36 P.M. PDT)