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Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I am extremely pleased by today's announcement that housing starts totalled over 1.8 million units, at an annual rate, in September, up over 17 percent from August and up almost 40 percent from September of 1975. Housing permits in September and new home sales in August also show healthy increases.

This is excellent news for the construction industry, and illustrates the increasing confidence of builders and home buyers in the strength of the underlying economic recovery.

The preliminary GNP data released today indicated that the economy grew at an annual rate of 4.0 percent in the third quarter. While this indicates that the pause in the recovery has continued for two quarters, it should be noted that the figures on overall production mask some promising news. The overall growth rate was held down by a decline in inventory accumulation. However, final sales to consumers, investors, and governments rose by 4.4 percent compared to 4.2 percent in the second quarter and 3.7 percent in the first quarter. These figures indicate a greater willingness to spend on the part of consumers and businessmen and, like the housing starts data, indicate growing confidence in the durability of the recovery.

As I indicated last Thursday -- and today's news supports it -- my advisers in this area expect a resumption of the rate of growth of GNP in October, November and December of over 5 percent and probably closer to 6 percent. They expect that same rate of growth in 1977.

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