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[1/9/75]

CLEARANCE FORM FOR PRESIDENTIAL SPEECH MATERIAL

TO: THE PRESIDENT

VIA: ROBERT HARTMANN

FROM: PAUL A. THEIS

SUBJECT: State of the Union Message and Address

TIME, DATE AND PLACE OF PRESIDENTIAL USE: _____

To be announced

SPEECHWRITER: Friedman/Casserly

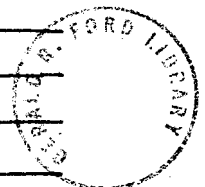
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BASIC RESEARCH/SPEECH MATERIAL SUPPLIED BY:

President Ford, Economic Policy Board, Federal Energy Administration, Council on Economic Advisers, NSC

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ADMINISTRATIVELY CONFIDENTIAL

PROPOSED STATE OF THE UNION SPEECH TO BE
DELIVERED BY THE PRESIDENT TO THE CONGRESS

ADMINISTRATIVELY CONFIDENTIAL



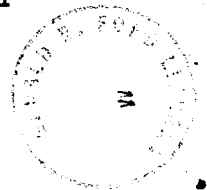
THE STATE OF THE UNION

Mr. President, Mr. Speaker, Members of the 94th Congress,
my fellow citizens:

As we begin the 200th year of this Republic, I call upon the
Congress and the American people to face the challenges of the 21st
century. Swiftly changing circumstances -- at home and abroad --
demand that we live and act ahead of our times.

Our forebearers of two centuries ago anticipated their future and
helped plan ours. Today, at the bicentennial of our Nation, we are
confronted with critical choices that will affect this country -- and
other countries -- for centuries.

We must redefine our direction as a Nation and our priorities as
a people. We must set out to explore a new continent of ideas, principles
and horizons in the economy and in the vast fields of energy and the
environment. It is imperative that our country embark on new courses,



set new precedents, create new policies, and chart America's future with a new spirit of national determination and urgency.

Members of the Congress, my fellow Americans, now is the time of for an American Renaissance -- in terms (of history) economic progress, social advance and spiritual renewal, and individual freedoms. <

Tom Paine's "Common Sense" -- published 199 years ago this month -- articulated the revolutionary doctrine of independence.

He voiced for the people of our original colonies their choices -- as critical to them at that time as ours are now to us -- to live as responsible individuals under a free government and leaders of their own choosing.

Our predecessors built from those modest beginnings the economic, social and spiritual America of today. It is now our time and our responsibility to explore and construct a new century of life for our <

children and our children's children. And we must do it with the same common sense of those who led us out of the early American wilderness.



This is the moment when the Congress and the Executive annually begin their cooperative work. One basic purpose unites us: to take charge of our own fate. We must make the necessary decisions on our troubled economy, shape a national energy program, and face squarely the international issues confronting us.

The State of the Union address is traditionally an occasion for a detailed assessment by the President and a statement of what he wants the Congress to do. I will not repeat the rituals of the past. I will use this occasion to speak to you clearly and concisely on specific action concerning our future. [My entire message will consist of action.]

First, I ask you to begin today a new partnership for effective action against the erosion of our economy by alternating waves of inflation and recession.

Our first concern is jobs and production. The jobs are in private industry -- in the factories, farms and stores. We need two things -- more people at work and better tools for people to work with. Beginning today every single recommendation of this Administration will take these specific goals into account.

We have already provided for emergency public service jobs and additional assistance. This Administration will do all that is necessary to help those who are hurt the most.

I have just completed a rigorous review of the fiscal year 1976 budget. The sum total of \$345 billion creates a federal expenditure which is unacceptable. As a consequence of our economic emergency, I am asking the Congress to immediately enact legislation that will

pare many of the programs. I also ask for basic reform in others.

For example: (NOTE: BUDGET CUTS AND REFORMS CAN BE OUT LINED HERE.).

I will insist upon a 5 percent limit on Federal pay increases even though comparability with nongovernment wages might justify more.

In all Government programs tied to the consumer price index -- including social security, civil service retirement pay, military retirement, and food stamps -- I am asking a 5 percent cap on increases.*

These proposals would realize an estimated \$5 billion savings in Federal outlays.

The time has come for a moratorium on new spending programs.*

* I shall recommend no new spending programs and will veto any sent to me by the Congress.

* Explain "caps."

** is this correct

To move the economy in the right direction, I am recommending a tax reduction of \$15 billion. I propose an immediate one-time reduction in income taxes due for 1974.

Under the plan, three-fourth of this reduction would go to individuals and one-fourth to corporations. There would be three refund payments for taxes paid for calendar year 1974. The first would be a proportional reduction based on the progressivity concept of income taxes. This would amount to an approximate 10 percent refund of taxes paid.

The second -- an investment tax credit for business -- would be restructured to stimulate investment and new jobs. I propose increasing the rate of present credit for utilities from 4 percent to 12 percent and for all other corporations from 7 percent to 12 percent. This would apply for a one year period.

Although taxes must be imposed on energy, these would be returned to the people as the third refund I mentioned earlier. Specifically, I propose an Energy Equalization Payment of \$70 for every American. The estimated 15 million

who make so little that no income tax is filed by or for them would receive payments merely by filing claims for Form 1040A.

Let us act upon this plan before Abraham Lincoln's Birthday.

No other legislation is as urgent to stimulate the economy.

This is a program to help our economy. But it is not the tax reform we need. I will propose a reformed tax system soon.

Until the American economy is once again rising, all Americans must sacrifice because we are producing less. That means all of us must exercise restraint in our demands for increased profit and more pay. The burdens of these times must be equally divided, equally shared. I pledge myself to this effort. Those who clearly abuse their economic power will hear from me.

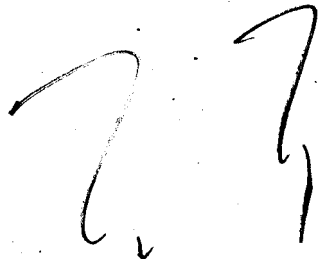
I have asked Vice President Rockefeller to take charge of our productivity effort. Greater productivity is vital. Under his direction, we will evaluate what our environmental efforts cost us in total production,



determine new ways for management and labor to cooperate, and find innovative steps to encourage capital investment.

(Option 1) We will provide new direction to our Nation's income security system. No one has yet suggested a program I can accept. Therefore, I shall appoint a National commission and challenge it to come up with a specific program to help those most in need -- the poor, the elderly, the sick and others.

(Option 2) My first proposal to Congress is that we enact a single plan for straightforward, effective, and fair Federal basic income support for the Nation's low and moderate income citizens. Under such an approach, citizens would not be required to pay Federal income taxes until their income reaches levels sufficient to ensure that their families' basic needs were being met. Those whose incomes fall below those tax exempt levels would be eligible for cash income supplements from the Federal Government.



Now to our second major consideration -- energy. I will present the Congress tomorrow a plan to make us independent of foreign sources of oil. It will require sacrifices. But it will work. As a first step, I am establishing the following national energy goals to assure that our future is as secure and productive as our past:

First, we must reduce oil imports by 1 million barrels per day by the end of this year and by 2 million barrels per day by the end of 1977. Second, we must end vulnerability to economic disruption by foreign suppliers by 1985. This means that by 1985 we should import no more than 15 percent of our total petroleum consumption. We must have the capability to immediately replace that 15 percent from storage and standby measures in the event of a supply disruption.

Third, we must develop our energy technology and resources so that the United States has the ability to supply a significant share of the energy needs of the Free World by the end of this century.

All of these

goals involve economic and political costs. They cannot be fully achieved through natural market forces operating within current national and international policies.

To attain these objectives, we need drastic, immediate action to cut imports. We need actions to increase our supplies and ability to use our coal, gas, oil and nuclear power. We need a major new mandatory energy conservation program. We need a major new emergency and security storage program, including up to one billion barrels of petroleum storage.

In the short-term, there are only a limited number of actions which can increase domestic supply. I intend to pursue all of them.

I will submit legislation to allow commercial production at the Elk Hills, California, Naval Petroleum Reserve of up to 160 thousand barrels per day as soon as possible in 1975, and up to 300 thousand barrels per day by the end of 1977.

To make greater use of our domestic coal resources,

I am submitting a set of comprehensive amendments to the Energy Supply and Environmental Coordination Act of 1974. These will greatly increase the number of plants that can be converted to coal in the coming years.

The current law only allows 23,000 barrels per day of conversions in 1975; these amendments could allow almost 100,000 barrels per day to be saved.

I am calling on the 94th Congress to enact a comprehensive legislative package to cut petroleum imports by 1 million barrels per day in 1975 and 2 million barrels per day by the end of 1977.

I am administratively raising the fee on all imported crude oil, natural gas liquids and petroleum products. The fee levels will be one dollar per barrel effective February 1; two dollars on March 1; and three dollars on April 1. The crude price equalization program will be modified to mitigate disproportionate benefits or impacts in any single area of our country.

The legislative package I am requesting to conserve energy use

is a tough program. It includes:

- An excise tax of two dollars per barrel on all crude oil, natural gas liquids and product imports.
- Deregulation of new natural gas as previously proposed by the Administration.
- An excise tax of 37 cents per thousand cubic feet on all natural gas to equal the two dollars oil excise tax on a thermal equivalency basis.
- A windfall profits tax to ensure that no single sector of our economy gains unduly while others make sacrifices. I will administratively decontrol the price of crude oil on April 1 and urge Congressional enactment of this tax by that time.
- A program of income tax reductions and/or other rebate measures to return to the economy the roughly 30 billion dollars estimated to be raised this year through these measures. Most of this



money is to be restored directly to consumers, with special measuree to provide funds for the poor.

The actual legislative language for this and my other proposals will be forwarded after the State of the Union Message. This proposal would result in some windfall profits. But rapid Congressional action would remove this problem.

Voluntary conservation is also essential. The Federal Energy Administration will step up its public information efforts in energy conservation.

By 1985, the vulnerability of the United States to economic disruption by foreign energy suppliers must be eliminated by achieving the capacity for full energy self-sufficiency. To meet the 1985 target:

Coal production must double; trends must be reversed to realize our fullest potential in oil and gas production; nuclear power must increase to more than twenty times current levels; and emerging energy sources have to accelerate.

The largest part of increased production must come from wells drilled in major new frontier areas. Thus, our position on Outer Continental Shelf leasing and development must be clear. →

Therefore, I now reaffirm the intent of this Administration

to move ahead with exploration, leasing and production in those frontier areas of the Outer Continental Shelf where the environmental risks are judged acceptable.

Our Naval Petroleum Reserves Number 4 in Alaska has not yet been significantly explored or developed. I will soon forward legislation to you authorizing the exploration, development, and production of NPR-4 to provide petroleum for the domestic economy. Only then can we know the true extent of the resources beneath that reserve. Estimates are from 10 to 30 billion barrels of oil and 60 to 192 trillion cubic feet of natural gas.

Our most abundant domestic resource, coal, is severely limited by markets. We must strike a new energy/environment balance with coal if we are to move our economy toward a heavier reliance on domestic energy. I vetoed the strip mining legislation passed by the last Congress. With a minimum of changes to make the law more precise, I am prepared to sign a revised version into law.

The Federal Government owns over 200 billion tons of coal reserves.

Currently, 16 billion tons on Federal lands are under lease, although only

6 billion are presently scheduled to support production by 1980. To

assure rapid production from existing leases and to make new, low sulfur

supplies available, I have directed the Secretary of the Interior to: put into

force legal diligence requirements to assure timely production from existing

leases, and to implement a new program of coal leasing consistent with timely

development and adequate return on public resources.

To rejuvenate our lagging nuclear power program, I am announcing

a markedly increased budget appropriation for nuclear waste and disposal

and for continued improvements in safeguards. I will also resubmit the

Nuclear Facility Licensing Act and urge prompt Congressional action on

this bill.

In recent months, utilities have cancelled or postponed over 60 percent

of planned nuclear expansion and 30 percent of planned additions to non-nuclear

capacity. Financing problems for that industry are worsening.

I am therefore proposing, and will soon forward, legislation to provide for:

- An increase in the investment tax credit for electric utilities from the current 4 percent to a level which eliminates the gap between its tax credit and those of other industries. There will also be remission of unused credits.
- While this higher investment tax credit will be available for all industry in 1975, to stimulate coal and nuclear plants, I will extend the credit for two additional years for these priority facilities. I will announce further actions shortly.

The Federal Government must take actions to encourage and protect domestic energy investment in the face of significant world price uncertainty.

This is the only way to ensure our progress to energy vulnerability by 1985.

To provide this stability, I will request legislation to authorize and require the President of the United States to use tariffs, import quotas or other measures to protect our energy prices at levels which will achieve full national capability for self-sufficiency and protect our energy industry and jobs.

Heating and cooling of buildings account for almost 20 percent of total United States energy consumption. Energy savings of above 30 per cent could be realized by energy efficient construction. I therefore propose legislation to make thermal efficiency standards mandatory for all new

buildings in the United States. The energy savings with such standards are estimated to be 275,000 barrels of oil per day by 1980, and 560,000 by 1985 for new buildings alone.

Since potential savings are even greater for existing homes, I also intend to ask for legislation to institute a 15 percent tax credit for investments of up to \$1,000 for those owners of existing homes who add insulation, storm doors and windows or other energy efficiency improvements to their homes.

I am announcing today the establishment of an energy conservation program for low-income families, to be administered by the Department of Health, Education and Welfare. Under this program, which will be funded at \$55 million in Fiscal Year 1975, the Federal Government will purchase insulation and have volunteers install it in homes owned or occupied by the poor.

To improve auto efficiency, I will submit legislation to freeze automotive emission standards for hydrocarbons and carbon monoxide for 5 years at current California regulatory levels and to implement a 3.1 grams per mile nitrogen oxide standard. These standards are more stringent than currently required.

Based on the passage of this amendment, I have received written pledges from the three largest domestic automobile manufacturers that they will make a 40 percent increase in gas-engine efficiency over the next five years. This pledge includes yearly goals, Federal monitoring and public release of the data on which to assess the progress toward the goals.

I am certain that the manufacturers of major appliances can make a similar effort. I am directing the Energy Resources Council to set efficiency standards for major appliances, and to secure within six months signed pledges to meet those goals from the leading manufacturers of those appliances. I am hopeful that this voluntary approach will succeed. Yet, if I must, I will ask for mandatory legislation to accomplish this end.

These numerous proposals and actions, taken together, can reduce our dependence on foreign energy supplies to a manageable level by 1985.

For the future, we must be able to help other nations through development of new energy technology. We must, in the 1980's and beyond, find new, cleaner ways to use coal. We must tap our gigantic deposits of oil shale. We must develop solar, geothermal, nuclear, and other energy forms. And these and other resources must be developed in ways that do not severely damage our environment.

I pledge today to make available whatever funds are needed for future research and development activities to ensure that America can maintain its energy independence.



If the Congress and the American people will now consider these goals that I have set for the short-term, the mid-term and the years beyond, I believe we can all agree that they are attainable.

These major new programs will move our nation toward energy independence. They will also place us in a position to seek international cooperation to deal with economic tactics that now threaten the world.

I am directing the Secretary of State to establish within the new International Energy Agency a broad international program of energy cooperation in the areas of conservation and the development of new energy supplies. By working together, oil importing nations can reestablish an equitable balance between buyers and sellers in the international oil market.

Over the next decade, international cooperation can reduce Free World reliance on imported oil to an economically and politically acceptable level. But we must also erect a series of oil and financial safety nets to protect our vital interest through the next few years.

We urgently need new international financial institutions to help handle the huge balance of payments deficits caused by present oil prices and to limit their destabilizing effect on our economies. Economic disarray could threaten moderate governments and diminish political cooperation and trade. If Western unity is imperilled, unpredictable tensions with our adversaries could emerge. This must not happen.

The program I have outlined today embodies a national policy that will enable us to meet our energy goals. It requires that we work together, and take all steps necessary to implement this policy. If we do not do so, it will be no one's fault but our own.

We will do so because it makes as much "Common Sense" as Tom Paine did 199 years ago when he articulated the doctrine of independence.

We will do so because the Congress and the American people know that the freedom to choose is our most fundamental freedom. In our 200 year history, nothing has been more precious to us than the free choice of our government, our leaders and our future.

We do not face the choice of right and wrong today so much as what is or is not important to the future of our children and their children's children.

In the final analysis, we will do so because we must. Circumstances demand that we act as citizens and builders of this century and planners of the next. That is the crucible -- our responsibility to the 21st century. And responsibility is the price paid by every free man.

The actions I have just outlined call for forceful American leadership. Members of the Congress, my fellow Americans, I have set before you practical but great goals. I will give you the leadership to attain those goals. God willing, we will attain them.

Thank you.



THE WHITE HOUSE

WASHINGTON

January 9, 1975

MEMORANDUM FOR: JACK MARSH
FROM: PAUL A. THEIS *PT*
SUBJECT: State of the Union Message
and Address

Attached are the following:

1. Some sixty somewhat rough pages of proposed language for the President's written message to Congress on the State of the Union and on his follow-up proposals.
2. A condensed version of this proposed written message which will provide the basis for the State of the Union speech which the President will deliver to the Congress.

Would you let us have your comments and suggestions on these by noon, Friday, January 10? Also, your initials on the enclosed clearance form.

Many thanks.

Attachment

*To meet
social needs*

*Voting Rights
Defense*



THE WHITE HOUSE

WASHINGTON

From: Robert T. Hartmann

To: Mr. Marsh

Date: January 10

Time 8:00

a.m.
XXXXX
p.m.

I would like to request a written
reply, if any, by 3:00 p.m. today.

Thank you.



JM

Good evening, friends and fellow Americans.

Without wasting words, I want to talk with you tonight about putting our domestic house in order. We must get America going again; reverse the current recession, create more jobs, restore confidence among consumers and investors, expand production and sales, and take firm control of our future progress and potential as a free people.

This is a tremendous challenge that calls for the cooperation, common sense and determination of 213 million Americans. It will require certain temporary sacrifices of present pleasures to ensure future needs. I know that together we can and will do this job because our national nature is strong on self-discipline and the will to win. Americans are at their very best when the going is tough.

Right now the going is tough and it may get tougher.

On Tuesday I will report to the new Congress on the State of the Union and ask each member for his or her help to quickly improve it. But neither Congress nor the President can pass



laws or issue orders to guarantee economic improvement and instant prosperity.

Government can help by equalizing unfair burdens, setting an example of sound economic actions, and exerting leadership through a clear and concerted national recovery plan. I will propose such a plan.

Tonight, if I might, let me give you a preview of my plan. After all, its success or failure depends on you, and you are the people most affected by its main provisions. I will spell out the details later.

Since becoming your President, economic problems have been my first and foremost concern. Two elements of our total problem are long-range -- inflation and energy -- and they are affected not only by our own ~~actions~~ but also by international forces beyond our direct control. The newer and most disturbing element in the economic picture is our worsening recession and the unemployment that goes with it.

(MORE)

Over the past three months since my first economic program was put together we have made real progress in curbing the upward spiral of inflation and getting interest rates started down. But I ~~must~~ frankly say we have suffered sudden and serious setbacks in employment and productivity.

I am convinced we must shift our Number One target from runaway inflation to worsening recession, and from budget restraint to some government stimulation of the private economy.

In doing so, we must not lose sight of the very real and deadly dangers of rising costs and declining domestic energy supplies. Americans are no longer in control of their own national destiny when that destiny depends on foreign fuel at externally fixed prices. Higher energy costs compound both the inflationary problem and the recessionary problem.

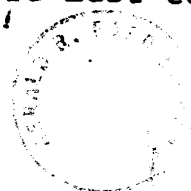
Therefore we must wage a three-front war simultaneously against recession, inflation and energy dependence. Any one of these three devils could destroy the country we all love and want for our children.



(MORE)

I am going to ask the new Congress to enact on a crash basis -- within 90 days at the most -- the first specific energy conservation program we have ever had in peacetime. It is complex, controversial, and it will make petroleum products ^{even} cost more than they do now. This will do two things: discourage unnecessary use of oil and gasoline and encourage the ^{development and} substitution ~~and development~~ of other fuels and ~~research on~~ newer energy sources.

^{First} While Congress deliberates, I will use ^{Presidential} my limited emergency powers to reduce our dependence on foreign sources by ~~immediately~~ ^{beginning 9/1st} raising import fees on foreign oil, gradually ~~and~~ stepping ^{second} them up. I will propose a program of excise taxes on crude oil and will return ~~to stimulate the economy~~ the revenues ^{to stimulate the economy as a whole} derived from this tax. My energy conservation program contains provisions to avoid undue hardships in any geographical area, ^{or human need} or economic activity where oil is essential, and to prevent ~~undue~~ windfall profits by producers and sellers. There must continue



to be a coordinated volunteer campaign to cut gasoline and other energy use. This national energy conservation plan will also ask Congress for new efficiency standards and *stronger* ~~and~~ *incentives to speed the* ~~development~~ of other domestic energy resources, such as coal and nuclear power.

There will surely be something in this program that everybody won't like. But if we all pitch in, we can meet our goal of reducing foreign oil imports by 1 million barrels a day *and* this year */* by 2 million before 1977 is ended, ~~and~~ *By* 1985 -- 10 years from now -- the United States will be fully independent of foreign energy for vital national needs and may even be back in the energy exporting business. Of course, our gains in energy independence will be coordinated with our friends abroad, but our own sufficiency comes first.

If Congress speedily enacts this energy program, there will be no need for higher gasoline taxes or long waiting lines at the service station for those who depend on driving the family car.

(MORE)

I don't want to mislead you. Gasoline will go up in price for awhile, but the excise tax on crude oil will be shared by all petroleum users, and as we reduce our dependence on foreign sources and bring in new domestic energy supplies, it should go back to normal.

In addition to ~~proposing~~ an energy-conserving excise tax on oil and returning the revenues raised by it to stimulate the sluggish economy, I want you and the Congress to support a one-shot Federal income tax cut of \$15 billion of which three-fourths will go to individual taxpayers. One fourth of the proposed tax reduction will go to corporate taxpayers to encourage expansion and create jobs.

Starting as soon as Congress acts, an average rebate of 10% of 1974 ^{Federal} income taxes due ~~or paid~~ for 1974 will be refunded in cash in three installments. To further check the decline in capital spending and productivity, and ^{to} provide additional jobs through plant modernization and expansion, I will urge Congress to increase ^{to 12%} for one year the investment tax credit

~~to 12 percent~~ for all businesses, including the energy-essential public utilities.

I know this sounds like I am reversing my field since October when I suggested higher taxes for upper-income and corporate taxpayers as a budget-balancing and anti-inflationary measure. But the game has changed and I hope I am never too old to change. What we need most urgently today is more spending money in your pockets rather than in the hands of the expert spenders we have here in Washington.

These two stimulative tax cuts will undoubtedly mean a bigger deficit in the current Federal budget, something I have fought ^{against} all my political life. But unless our economy revives rapidly, Federal tax revenues will shrink so small that future deficits will be astronomic. As a realist, I had to conclude that a little inflationary risk ^{now} is better than ~~future~~ ^{future} fiscal calamity.

But I have not abandoned my lifelong conviction in Federal fiscal restraint as a long-haul imperative. While wrestling



with the budgets for this year and next I have found that at least three-fourths of all Federal expenditures are required by laws already on the books. A President, I have learned, is powerless to cut spending in the ever-growing list of programs which provide mandatory formulas for payments to State and local governments and to families and individuals.

Such uncontrollable payments have grown in the past dozen years from \$25 billion to \$120 billion and are climbing year after year. Unless we check this trend I can tell you there are only two ways to go -- still higher Federal taxes or more of the ruinous hidden tax of inflation.

Broad revision and reform of our whole tax structure remains a must. But in this economic emergency, complex and controversial tax reform must be set aside temporarily so Congress can concentrate on the stimulative tax cuts the economy demands.

Broad revision and reform of our mandatory spending programs is also a must. But until the comprehensive studies

required can be made by the Congress and the executive branch,
I will not compound the problem.

In my State of the Union Message I will not propose any
new Federal spending programs and I will veto any that Congress
sends me.

Many proposed Federal spending programs are desirable and
have had my strong support in the past. But I believe it is
time for a one-year moratorium on new Federal spending programs.

I
~~and~~ hope that you, and your Congressmen, will agree that in
times like these it is better to give American taxpayers more
of their own paychecks to spend *as they please*.

Many Americans are supposed to be cynical about their govern-
ment. I think the Federal government ought to show them it
practices what it preaches about sacrifice and self-restraint.

Therefore I will insist upon a 5% limit on all Federal
pay increases in 1975 even though non-government workers might
do better. I will also ask Congress to put a temporary 5%
ceiling on automatic cost-of-living increases in government



retirement programs.

Government alone cannot bring the cost of living index down. But until it starts down, government can refrain from helping to push it up. For only when it comes down can everybody get full value from his or her pension or paycheck, and I want to hasten that day.

These are some of the principal actions I will announce to the Congress next week. There are others, both short and long-range, which strive to make my national recovery plan as fair and foolproof as possible. I will not hesitate to make changes or accept compromises if they are in the national interest. But I will press for prompt action and responsible legislation. The danger of doing nothing is great;

the danger of doing too much is just as great. ~~we~~ We cannot afford to throw a monkeywrench into our complex economic engine simply because it is not running ^{exactly} right at the moment.

We are in trouble, but we are not on the ~~edge~~ ^{brink} of another Great Depression. Our political and economic system today is many times stronger than it was in the 1930s, and in addition to the income safeguards and unemployment cushions built into it we have taken and will continue to take whatever steps are needed to prevent massive dislocations and personal hardships. The last Congress responded to some of my October and November requests for additional relief for the jobless and to stimulate trade, homebuilding and domestic energy development. I am confident that the new Congress will continue on that course and I am ready to meet them more than half way.

Realistic and reasonably speedy solutions to our economic difficulties depend primarily, however, on the strong support of each one of you and of every element of American society. Self-restraint must be exercised by big and small business, by organized

and unorganized labor, by State and local ^{governments} as well as ^{the} Federal government. Chislers and cheaters will not be allowed to prosper from the temporary hardships most of us ~~will~~ willingly bear. Nor can we permit political demagogues ^() to profit from our common difficulty and distress.

The one thing we can all do, right now, to improve the economic outlook is to rekindle and openly express our faith in ourselves. Nobody is going to pull us out of this ^{dismal} swamp except ourselves, by our own bootstraps if you will, and we had better start today.

Our whole 200 years of history as a nation has been one of triumphing over natural obstacles and external enemies and self-generated conflicts and each time emerging stronger than before.

Whenever I hear a call for leadership I am reminded that our remarkable achievements as a nation have also involved a generous measure of followership; in every ^{crisis,} ~~year,~~ the American people have closed ranks, rolled up their sleeves and rallied



behind their leaders. of the hour to do whatever needed to be done.

That is why I am asking you, as well as the Congress, to work with me to turn the gloomy economic graphs around, to make our free society and fabulous productivity again the wonder of the world, and to reaffirm our pride and purpose as Americans who help themselves and help their neighbors no matter how tough the task may be.

For my part, I will continue to do what I think is right for all our people, and to do my best for America as long as I occupy this historic ~~office~~ ^{house}. And I thank you for joining me here tonight and listening to the plan I have put together. If delay is preferable to error, as Jefferson said, so action is preferable to perfection.

The time to get going is now. Let's ~~put~~ ^{put} this plan ^{to} ~~work~~ ^{work}. It will work if we all want it to work, and work together to win together.

Good night, and may God bless our endeavors.

Bob, I like what you have, and
thank you have captured in
a concise way the spirit of

THE WHITE HOUSE
WASHINGTON

January 10, 1975

the economic & energy package
to make them understandable
to John Q. Public.

MEMORANDUM FOR: BOB HARTMANN

FROM: JACK MARSH

Some quick observations on your speech.

1. Generally, I like both the thrust and the tone. However, I would make some greater reference to historical places where he is speaking from and identify the historical exhibits that are relics of our Nation's past and the books that tell the story of our Nation's deeds. Naturally, I would mention to them that we are on the threshold of a new year that will mark the 200th anniversary of our birth date as a new Nation. A time when 13 colonies that were then the undeveloped areas of the world -- lacking technology -- lacking industrial -- lacking roads and communications networks -- lacking a strong Army and Navy -- and because of the strength of the things in which they believed would achieve the unachievable and with courage and sacrifice found a new Nation. A Nation whose ideas have shaped the course of the modern world since that day in April 1775.
2. The point has been made that the President is speaking from his home to the homes of the American people. Homeownership is still the family dream. But it is a dream that is becoming more of a dream rather than an achievable goal for most Americans. Therefore, the suggestion is made that something be said of the home building industry as a part of the economic package and because it strikes a responsive cord as a human goal.
3. I have withheld comment on the tax and energy matters because I do not have a grasp of these subjects sufficiently to comment on them. Being technical subjects they are tough to comment on.



4. At Page 6 I would substitute "one time" for "one shot." One shot strikes me as somewhat flip.
5. At page 7 the first full paragraph, I would suggest getting away from the football vocabulary and express the same thought without the sports terms. He is already widely accepted as a sports hero in a complimentary and uncomplimentary way and I would stay away from it here.
6. At page 9, the first full paragraph I have very serious questions that the statement on vetos of many spending programs. This might be very tough to live with and second there are tough questions of definition. For example, at page 44 of the big message if a proposal called the National Synthetic Fuels Commercial Program. It recommends a Federal incentive. There may be another reference in the big message that also falls in this category.
7. At page 12, I would use the word "demagoguery". An individual who makes a well meaning criticism of the President's programs might by others be viewed as a demagogue which is not the intent.
8. I think it would be helpful to challenge people and you can remind them that in the '60's we had a National challenge which became a goal to put a man on the moon in 10 years, and it was accomplished in less time. This is a "can do" demonstration.
9. Finally, I would have a catch-all paragraph which we discussed that would include voting rights, Defense, foreign affairs, etc. The Defense reference I believe is essential because it's omission could be seriously misinterpreted by our adversaries as well as invite cuts of the Defense budget by the Congress.

