

FOR IMMEDIATE RELEASE

JANUARY 24, 1975

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
TO THE
RADIO-TELEVISION NEWS
DIRECTORS ASSOCIATION

ROOM 450
OLD EXECUTIVE OFFICE BUILDING

4:40 P.M. EST

Let me express my appreciation to Jim Lynn and Frank Zarb and Mike Duvall and others who have been here. They know the subject matter extremely well. They were my important advisers in the process of working out the economy program and energy program, and they are going to be working with me and explaining the justification and the details of the several plans as we move down in the months ahead to get some action in the Congress on both plans.

It is a privilege and a pleasure to be here, to meet with the news directors. I had the great pleasure, I think back in 1968, following the election, of making a speech to your convention in Los Angeles when my good friend at that time, Bill Roberts, was either incoming or outgoing President of your organization.

Bill has been with me on my staff when I was Vice President and is now, of course, with me, on the staff under Ron Nessen, as President.

I am obviously delighted to have an opportunity to say a few words on the programs that I have proposed to the Congress. I think the success in the implementation of those plans through the Congress depends to a very large extent on the understanding and the cooperation of the American public, and in my judgment, the more information the public receives on what I have proposed in these two very important areas, the better chance they have of being implemented, not only in the Congress, but through the efforts of the American people.

MORE

(OVER)

Because of the great influence of the electronic media, your role in giving the facts to the American people is an especially vital one.

You may have heard or read the remarks that I made over national television a week ago Monday night, and followed by the State of the Union on Wednesday of the same week, so I assume that in many details you are fully informed. Some of the broader backgrounds, of course, will be explained or has been explained by the three that are on the platform or others who have been here.

There are some very crucial parts of the program that I would like to make a comment or two on-- the tax rebate, the increase in the oil import tariffs and the proposed ceiling on increases in government wages and Social Security and other benefits.

These three are only part of a much more complex design for pulling the Nation out of the economic doldrums and the energy crisis. Unfortunately, we are in a status of economic doldrums and we do have an energy crisis.

It seems to me that it is vital in both cases that action be taken immediately by the Congress. It appears that in the tax rebate for 1975, predicated on 1974 income, the Congress is going to respond quite quickly.

I am extremely interested, of course, in getting the Congress to act immediately thereafter on the energy package.

The important fact is that the energy plan, which has been reviewed by others here today, goes far beyond trying to reduce consumption of imported oil through price levers. The plan that is very comprehensive tackles the need for more domestic sources, the better use of energy and the research for new energy sources.

Let me say a word or two about each of the three categories.

Better or more domestic sources. This includes a much broader program of oil and gas exploration in the United States. The facts are that since 1968 or 1969 our exploration for more gas and more oil in the United States has dropped off significantly. If we are going to develop more domestic oil and gas, we have to have an incentive for those people who are in that business, and the program that I have submitted to the Congress provides for that.

MORE

The second is the better use of energy. What we hope to do here in a number of cases -- and I will just give one or two -- is to cut down the use of energy by, for example, the installation of insulation in homes and in buildings generally.

The program provides a 15 percent tax credit for up to \$1000 for a home owner to install storm windows for insulation. The best estimate is that this will save about 300,000 barrels per day, and it will cost the Federal Treasury approximately \$500 million, but it will improve the efficiency of homes and it will cut down, as I indicated, the utilization of some 300,000 barrels a day.

Research for new sources, new sources of energy, solar, geothermal. I was in Los Alamos last July and saw some of the research and development work that was being undertaken by the AEC at that time.

Geothermal has a great potential, certainly, in particular areas of our country. And under the new Energy Research and Development Agency, ERDA, with Bob Seamans as the head of it, we are consolidating and coordinating the research in this area as well as solar and some of the others.

What we need is to actually restyle our entire national approach to energy production and energy consumption. It is a complex subject, and if you had seen the number of volumes that were presented to me for reading, the number of volumes that I had to look at in selecting options, I think you would share the view that it is a very complex subject.

It is a problem that has to be met, and the program that I have submitted, in my judgment, will meet and will solve it. But in order to get it going, both in the Congress and otherwise, the public has to understand it and all we ask of you is to understand it yourself and give the facts.

I think if the facts are laid out on the table, the American people will support it.

MORE

Now, the one-time tax rebate is a matter of great concern because it deals directly with the manner and the amount of money to be put back into the taxpayer's pocket. This rebate has been integrated very carefully with the other tax proposals. We are not looking at just one segment of the economic picture.

In the drawing up of these proposals, the emphasis was on the continuing economic health of all taxpayers, low as well as middle income citizens. Our economic recovery, obviously, cannot be accomplished simply by a one-shot tax rebate. If we are to return to a stable, balanced and growing economy, a good business climate, we have to pursue a program that treads a very prudent line between economic stimulation and personal sacrifice.

Of course, a proposal such as the 5 percent ceiling on Social Security increases for 1975 is a perfect target for irresponsible politicking. I emphasize that, this is a ceiling. We expect increases, but a ceiling of 5 percent under the current circumstances, in my judgment, can be justified.

There is a legitimate national concern, which I happen to share, about the impact of inflation on fixed income of our older citizens. The proposed ceiling on the size of these increases in Federal benefits is coupled with plans for a moratorium on new Federal spending programs and a ceiling on Federal salaries, and let me illustrate what I mean.

Shortly after I became President, in October of last year, I proposed to the Congress that the cost of living increase that was then expected of about 5.4 percent for Federal salaries -- I recommended that it be deferred for six months, and the justification for it was that a six-month deferral of a pay increase for Federal employees, some 2,100,000 and roughly 2,100,000 for military personnel, would have saved the Federal Treasury \$700 million.

Now, at that time, we were faced with a serious problem with the prospective deficit. I thought it made sense to ask for that deferral. Unfortunately, the Congress, under the procedure that was available, rejected my recommendation.

I think it made sense. I wish the Congress had approved it, but what we are trying to do in 1975 is to put a 5 percent ceiling on Federal pay increases just as we have recommended a ceiling for Social Security, Federal retirement, both civilian and military.

MORE

Now, it may be good politics for some critics to suggest that we start reducing the growth in Federal spending somewhere else, areas other than Social Security, pay increases for Federal employees, both civilian and military, retirement benefits for Federal employees and the military, but, in my judgment, the time has arrived when politically unpopular decisions must be made. And in this case, if we put this 5 percent cap or ceiling on all of these categories, the reduction in anticipated expenditures for the Federal Government will be \$6.6 billion, a fair amount of Federal funds.

My point is quite simple. If we do not begin the task, as I see the picture, we will be doing a disservice to the people we most want to help. Fortunately, there is something in our national character that seems to summon strength when the country is confronted with difficult challenges, and that is why I happen to believe that the American people will accept and will respond to the economic and energy proposals we have laid before them and before the Congress.

I intend to explain and to hopefully persuade the Congress and the American people to respond. I will take my case directly to the American people. Just as I believe it is the President's duty to make hard choices, I also believe the choices must be explained to the most important forum there is, some 213 million Americans. Your help in just explaining the facts -- we do not expect you to be prejudiced one way or another -- but if you can get the facts out, this is vitally important to an honest dialogue and effective decision-making.

I appreciate your concern by being here today, and I look forward to seeing you around the country, where I hope to be in the next several months.

Thank you very much.

END

(AT 4:55 P.M. EST)