

FOR IMMEDIATE RELEASE

MAY 29, 1975

Office of the White House Press Secretary
(Brussels, Belgium)

THE WHITE HOUSE

TO THE HOUSE OF REPRESENTATIVES:

I return without my approval, H.R. 4481, the Emergency Employment Appropriation Act.

Earlier this year, I asked the Congress for legislation to deal with the Nation's most immediate employment problems through the extension of public service jobs and a program of summer youth employment.

The Congress has taken this simple, straightforward and specific proposal and turned it into a bill containing a host of provisions of questionable value.

This bill, as presented to me, is not an effective response to the unemployment problem. It would exacerbate both budgetary and economic pressures, and its chief impact would be felt long after our current unemployment problems are expected to subside.

The bill authorizes spending of \$3.3 billion above my budget requests. Almost half of this added spending would continue in calendar year 1977. Economic recovery is expected to be well underway by the end of 1975, and the accelerative influences of this bill would come much too late to give impetus to this recovery. Instead, those influences would run the risk of contributing to a new round of inflation later on.

In my address to the Nation on March 29, announcing my decision to sign the Tax Reduction Act, I stressed the need to keep the 1976 deficit below \$60 billion. This bill is one of many being considered by the Congress that, combined, would increase the deficit to \$100 billion or more. Already, Congressional actions and inactions have added \$713 billion to the 1975 deficit and \$4.4 billion to the 1976 deficit.

Such an increase in the Federal budget deficit would lead to an increase in Federal borrowing from private financial markets. These heavy Federal demands for capital could deprive business firms of funds needed for modernization and expansion of capacity.

Thus, H.R. 4481 would contribute to choking off the very economic growth it is intended to stimulate.

(MORE)

To help overcome the recession and high unemployment, I have proposed, and the Congress has enacted, a major tax cut. I have also proposed an extension of unemployment compensation benefits, together with increases, which are included in this bill for public service jobs and summer employment.

Further stimulus would hurt more than it would help our economy in the long run. H.R. 4481 provides for too much stimulus, too late, and I must therefore veto the bill.

The need remains, however, for a bill that will provide the funds I recommended for immediate and temporary employment through the public sector and summer youth jobs. Since student summer vacations are close at hand, I urge the Congress to pass such a bill as quickly as possible.

GERALD R. FORD

THE WHITE HOUSE,
MAY 29, 1975

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