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STATEMENT BY SECRETARY OF COMMERCE FREDERICK B. DENT ON  
GROSS NATIONAL PRODUCT AND THE ECONOMY

The preliminary figures released for the fourth quarter Gross National Product (GNP) show the pervasive effects that inflation, a companion recession and escalating energy prices have had on all sectors of our economy.

The figures emphasize with painful clarity the compelling need for the comprehensive program that President Ford has proposed to the Nation to deal with recession, inflation and energy dependency.

This bleak set of statistics is partially due to the quadrupling of energy costs because of actions we could not control. That is why energy conservation--with all the attendant sacrifice it calls for--is so essential in the short-run. It is coupled with the President's program to develop energy self-sufficiency in the long-run.

Restraints on the Federal budget, tax refunds to individuals, and reductions in the corporate tax rate to generate more economic activity are also essential parts of the three-front strategy.

The economic news of the past months has been disquieting and grim. Still, there are some promising signs. For example, the high rate of inflation is beginning to abate, with prices of some basic foodstuffs and commodities coming down. Interest rates are dropping and money is becoming available for potential borrowers.

It is obvious to everyone that our economic troubles are many and will not be ended overnight. But I have confidence in the basic strength and resiliency of our economy, and that we will--as President Ford has urged us--seize opportunity from adversity.

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