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YALE UNIVERSITY
LAW SCHOOL
NEW HAVEN, CONNECTICUT

EUGENE V. ROSTOW

September 4, 1974

Mr. Robert Hartmann
The White House
Washington, D.C. 20500

Dear Mr. Hartmann:

I enclose a contribution to the agenda
of the Summit Conference on Inflation, with
warm good wishes for its success, and success
generally!

Yours sincerely,

Eugene V. Rostow
(dhw)

EVR/dhw

Enclosure

Dictated but not read.

This meeting marks the start of our Conference on Inflation.

I have called this series of working conferences ^{in response} ~~on the recom-~~
~~mendation of the Congress (Senate)~~ ^{to a bi-partisan commission in the U.S. Senate} and with the cooperation of
concerned citizens representing all elements of American society.

Our purpose is to find ways ^{by} ~~in~~ which we, the American people,
can come to grips with our economic difficulties and surmount them.

This has been called a Summit Conference. Maybe that is mis-
leading. Recent summit conferences have been held between a few leaders
of international adversaries with the hope of reducing their differences.
^{Around this table there are} ~~Here we have~~ no adversaries. We come together as allies to draw
up a battle plan against a common enemy -- inflation. Inflation is
our domestic public enemy number one.

Battle strategies are usually devised in secret. At my insist-
ence, this is a typically American open meeting.

^{Some skeptics have} ~~I have~~ been warned ^{me} that putting 28 of the most distin-
^{and 8 members of Congress} ~~guished~~ economists on public display with live microphones would pro-
duce a spectacle something like professional wrestlers playing ice
hockey.

But I am ^{ready} ~~willing~~ to referee this opening match.

It is not widely known, but I started out in college very much
attracted to economics. Later on I switched to the law, probably because
the legal profession seemed a better path to success in politics.

Having come this far, I can see why no economist would even
dream of wanting to be President.

But if we succeed in the job cut out for us, I can promise you
there will be statues of you in every city park. Economics will never

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again be called the dismal science.

Nor will politicians, if we ~~xxxx~~ succeed, ever dare again to hide behind the old alibi that the people just don't understand economics.

The people understand economics very well and they are sick and tired of having politics played with their pocketbooks.

This Conference on Inflation is a joint enterprise of the Legislative and Executive branches of our government which can become a monument to politics in the best sense of the word. It unites Republicans and Independents and Democrats in an election year against a ~~formidable~~ deadly enemy that doesn't recognize one party from another.

The President cannot lick inflation.

The Congress cannot lick inflation.

Business, Labor, Agriculture and other segments of America cannot lick inflation.

Separately
But we can all make it worse.

But
~~and~~ together we can beat it to its knees.

These meetings are not going to be empty exercises in economic rhetoric. Neither are they going to ~~reveal~~ *reveal* any miracles. There is no quick fix for what ails our economy, ~~and the worlds.~~

I for one refuse to believe, however, that the best brains in America and the smartest, hardest workers in the world cannot find a workable way to get the productive machine of this country back on the track and going full speed forward.

Let me set a few ground rules at the start.

We can't waste time ~~analyzing~~ *restating* and restating the problems.

The problems are obvious, ~~and they are~~ painful and perplexing.
 What we want are some right answers.

Not a long list of alternative answers, theoretical and hypothetical, good and bad.

We need to have attainable answers sharply defined and carefully sorted out, with the pluses and minuses of each clearly stated.

We are looking for action that is practical, possible, and as rapid in its effect ^{as we can} ~~as is~~ reasonably ~~to~~ expect.

I don't have to tell you experts in the field that there are many answers, most of which have been tried at some historic time.

But before this conference ends I would like to see and to have set before the American people a consistent and considered package of the most promising answers you can find, some of which or all of which ^{will} can restore economic stability and sustain economic growth in these United States.

If our country is economically healthy, the whole world will be economically healthier. Inflation is a world-wide epidemic ^{and we will guarantee it in collaboration with our friends abroad.}
 As you test your answers against the hard rock of economic laws, as you discard beguiling instant cures for reliable remedies, as you try to treat the cause rather than the symptom, I ask you to bear in mind that no solution will work without a lot of willpower and some sacrifice.

America has plenty of capacity for both.

Sacrifice is easy to ask of others. It is harder to demand of ourselves. Burdens never fall equally on everybody's shoulders. But we must seek to share them as widely as the prosperity we hope will follow. ~~They~~ The burdens of the battle against inflation will be lighter if every American, all 210 million of us, lends a hand.

There will be ^{ten} ^{specialized} more meetings over the next few weeks, culminating in a final two-day session on ~~August~~ ^{last} 27th and 28th.

When we are done, there will be some things we can agree on.

I hope these areas of agreement will be greater than the areas of disagreement.

But it is a fact that our economic system, ~~is based~~ like our political system, is based upon competition and the ~~open~~ ^{honest} conflict between different interests and different opinions.

So there will be some things ^{about which} we cannot reach a consensus. This would be a dull place without dissenters, but fortunately that is not a foreseeable danger.

Where we do disagree, ~~it will~~ it will be necessary for the President and the Congress to make some hard decisions. Our political system is designed to do exactly that, relying in the end on the ultimate good sense of the people.

That is why these conferences must be open to the people. After all, it is their business we are talking about.

Ladies and gentlemen, let's get to work.

INTRODUCTORY REMARKS OF PRESIDENT GERALD R. FORD
SEPTEMBER 5 MEETING OF ECONOMISTS

THIS MEETING MARKS THE START OF OUR CONFERENCE ON INFLATION.

I HAVE CALLED THIS SERIES OF WORKING CONFERENCES IN RESPONSE TO A BI-PARTISAN RECOMMENDATION IN THE U.S. SENATE AND WITH THE COOPERATION OF CONCERNED CITIZENS REPRESENTING ALL ELEMENTS OF AMERICAN SOCIETY.

OUR PURPOSE IS TO FIND WAYS BY WHICH WE, THE AMERICAN PEOPLE, CAN COME TO GRIPS WITH OUR ECONOMIC DIFFICULTIES AND SURMOUNT THEM.

THIS HAS BEEN CALLED A SUMMIT CONFERENCE. MAYBE THAT IS MISLEADING. RECENT SUMMIT CONFERENCES HAVE BEEN HELD BETWEEN A FEW LEADERS OF INTERNATIONAL ADVERSARIES WITH THE HOPE OF REDUCING THEIR DIFFERENCES. AROUND THIS TABLE THERE ARE NO ADVERSARIES. WE COME TOGETHER AS ALLIES TO DRAW UP A BATTLE PLAN AGAINST A COMMON ENEMY -- INFLATION. INFLATION IS OUR DOMESTIC PUBLIC ENEMY NUMBER ONE.

BATTLE STRATEGIES ARE USUALLY DEVISED IN SECRET. AT MY INSISTENCE, THIS IS A TYPICALLY AMERICAN OPEN MEETING.

SOME SKEPTICS HAVE WARNED ME THAT PUTTING 28 OF THE MOST DISTINGUISHED ECONOMISTS AND 8 MEMBERS OF CONGRESS ON PUBLIC DISPLAY WITH LIVE MICROPHONES WOULD PRODUCE A SPECTACLE SOMETHING LIKE PROFESSIONAL WRESTLERS PLAYING ICE HOCKEY.

BUT I AM READY TO REFEREE THIS OPENING MATCH.

IT IS NOT WIDELY KNOWN, BUT I STARTED OUT IN COLLEGE VERY MUCH ATTRACTED TO ECONOMICS. LATER ON I SWITCHED TO THE LAW, PROBABLY BECAUSE THE LEGAL PROFESSION SEEMED A BETTER PATH TO SUCCESS IN POLITICS.

HAVING COME THIS FAR, I CAN SEE WHY NO ECONOMIST WOULD EVEN DREAM OF WANTING TO BE PRESIDENT.

BUT IF WE SUCCEED IN THE JOB CUT OUT FOR US, I CAN PROMISE YOU THERE WILL BE STATUES OF YOU IN EVERY CITY PARK. ECONOMICS WILL NEVER AGAIN BE CALLED THE DISMAL SCIENCE.

NOR WILL POLITICIANS, IF WE SUCCEED, EVER DARE AGAIN TO HIDE BEHIND THE OLD ALIBI THAT THE PEOPLE JUST DON'T UNDERSTAND ECONOMICS.

THE PEOPLE UNDERSTAND ECONOMICS VERY WELL AND THEY ARE SICK AND TIRED OF HAVING POLITICS PLAYED WITH THEIR POCKETBOOKS.

THIS CONFERENCE ON INFLATION IS A JOINT ENTERPRISE OF THE LEGISLATIVE AND EXECUTIVE BRANCHES OF OUR GOVERNMENT WHICH CAN BECOME A MONUMENT TO POLITICS IN THE BEST SENSE OF THE WORD. IT UNITES REPUBLICANS AND INDEPENDENTS AND DEMOCRATS IN AN ELECTION YEAR AGAINST A DEADLY ENEMY THAT DOESN'T RECOGNIZE ONE PARTY FROM ANOTHER.

THE PRESIDENT CANNOT LICK INFLATION.

THE CONGRESS CANNOT LICK INFLATION.

BUSINESS, LABOR, AGRICULTURE AND OTHER SEGMENTS OF AMERICA CANNOT LICK INFLATION.

SEPARATELY WE CAN ALL MAKE IT WORSE.

BUT TOGETHER WE CAN BEAT IT TO ITS KNEES.

THESE MEETINGS ARE NOT GOING TO BE EMPTY EXERCISES IN ECONOMIC RHETORIC. NEITHER ARE THEY GOING TO REVEAL ANY MIRACLES. THERE IS NO QUICK FIX FOR WHAT AILS OUR ECONOMY.

I FOR ONE REFUSE TO BELIEVE, HOWEVER, THAT THE BEST BRAINS IN AMERICA AND THE SMARTEST, HARDEST WORKERS IN THE WORLD CANNOT FIND A WORKABLE WAY TO GET THE PRODUCTIVE MACHINE OF THIS COUNTRY BACK ON THE TRACK AND GOING FULL SPEED FORWARD.

LET ME SET A FEW GROUND RULES AT THE START.

WE CAN'T WASTE TIME STATING AND RESTATING THE PROBLEMS.

THE PROBLEMS ARE OBVIOUS, PAINFUL AND PERPLEXING.

WHAT WE WANT ARE SOME RIGHT ANSWERS.

NOT A LONG LIST OF ALTERNATIVE ANSWERS, THEORETICAL AND HYPOTHETICAL, GOOD AND BAD.

WE NEED TO HAVE ATTAINABLE ANSWERS SHARPLY DEFINED AND CAREFULLY SORTED OUT, WITH THE PLUSES AND MINUSES OF EACH CLEARLY STATED.

WE ARE LOOKING FOR ACTION THAT IS PRACTICAL, POSSIBLE, AND AS RAPID IN ITS EFFECT AS WE CAN REASONABLY EXPECT.

I DON'T HAVE TO TELL YOU EXPERTS IN THE FIELD THAT THERE ARE MANY ANSWERS, MOST OF WHICH HAVE BEEN TRIED AT SOME HISTORIC TIME.

BUT BEFORE THIS CONFERENCE ENDS I WOULD LIKE TO SEE AND TO HAVE SET BEFORE THE AMERICAN PEOPLE A CONSISTENT AND CONSIDERED PACKAGE OF THE MOST PROMISING ANSWERS YOU CAN FIND, SOME OF WHICH OR ALL OF WHICH WILL RESTORE ECONOMIC STABILITY AND SUSTAIN ECONOMIC GROWTH IN THESE UNITED STATES.

IF OUR COUNTRY IS ECONOMICALLY HEALTHY, THE WHOLE WORLD WILL BE ECONOMICALLY HEALTHIER. INFLATION IS A WORLD-WIDE EPIDEMIC AND WE WILL QUARANTINE IT IN COLLABORATION WITH OUR FRIENDS ABROAD.

AS YOU TEST YOUR ANSWERS AGAINST THE HARD ROCK OF ECONOMIC LAWS, AS YOU DISCARD BEGUILING INSTANT CURES FOR RELIABLE REMEDIES, AS YOU TRY TO TREAT THE CAUSE RATHER THAN THE SYMPTOM, I ASK YOU TO BEAR IN MIND THAT NO SOLUTION WILL WORK WITHOUT A LOT OF

WILLPOWER AND SOME SACRIFICE.

AMERICA HAS PLENTY OF CAPACITY FOR BOTH.

SACRIFICE IS EASY TO ASK OF OTHERS. IT IS HARDER TO DEMAND OF OURSELVES. BURDENS NEVER FALL EQUALLY ON EVERYBODY'S SHOULDERS. BUT WE MUST SEEK TO SHARE THEM AS WIDELY AS THE PROSPERITY WE HOPE WILL FOLLOW. THE BURDENS OF THE BATTLE AGAINST INFLATION WILL BE LIGHTER IF EVERY AMERICAN, ALL 210 MILLION OF US, LENDS A HAND.

THERE WILL BE TEN MORE SPECIALIZED MEETINGS OVER THE NEXT FEW WEEKS, CULMINATING IN A FINAL TWO-DAY SESSION ON SEPTEMBER 27TH AND 28TH.

WHEN WE ARE DONE, THERE WILL BE SOME THINGS WE CAN AGREE ON.

I HOPE THESE AREAS OF AGREEMENT WILL BE GREATER THAN THE AREAS OF DISAGREEMENT.

BUT IT IS A FACT THAT OUR ECONOMIC SYSTEM, LIKE OUR POLITICAL SYSTEM, IS BASED UPON COMPETITION AND THE HONEST CONFLICT BETWEEN DIFFERENT INTERESTS AND DIFFERENT OPINIONS.

SO THERE WILL BE SOME THINGS ABOUT WHICH WE CANNOT REACH A CONSENSUS. THIS WOULD BE A DULL PLACE WITHOUT DISSENTERS, BUT FORTUNATELY THAT IS NOT A FORESEEABLE DANGER.

WHERE WE DO DISAGREE, IT WILL BE NECESSARY FOR THE PRESIDENT AND THE CONGRESS TO MAKE SOME HARD DECISIONS. OUR POLITICAL SYSTEM IS DESIGNED TO DO EXACTLY THAT, RELYING IN THE END ON THE ULTIMATE GOOD SENSE OF THE PEOPLE.

THAT IS WHY THESE CONFERENCES MUST BE OPEN TO THE PEOPLE. AFTER ALL, IT IS THEIR BUSINESS WE ARE TALKING ABOUT.

LADIES AND GENTLEMEN, LET'S GET TO WORK.

INTRODUCTORY REMARKS OF PRESIDENT GERALD R. FORD
SEPTEMBER 5 MEETING OF ECONOMISTS

I am pleased that this distinguished group has come together today. Seldom has the Federal Government, during a time of peace, undertaken a national conference of equal importance to our future. It is a uniquely American, open meeting.

The Conference on Inflation is a Joint Executive-Legislative enterprise. It brings together the talents of men and women in the Congress and the Administration, as well as leaders from all sectors of American society. It responds to Congressional initiative and unites Republicans and Democrats in a common cause. This is appropriate. The problem of inflation affects all Americans. Its solution requires a common effort and common sacrifices. In the traditional American way, we favor policies which will require the involvement and sacrifice of all -- so that all may benefit.

This conference is a vehicle by which ideas can be generated and introduced into the decision-making process. These meetings must not become an empty exercise in rhetoric. We have assembled some of the finest minds in the country. We intend to listen. But instant solutions will not emerge. The problem of inflation is too complex for any instant solution. But the discussions of this conference will facilitate decision-making by the President, the Congress and leaders in the private sector.

The purpose of this conference is to help conquer inflation:

-- By understanding the cause of our problem and clarifying our present situation.

-- By exploring new ideas and reconsidering untested ideas from the past.

-- By establishing long-range policy through consensus where it exists and delineating alternatives for decisive action.

-- And by acting promptly to identify hardship areas requiring special and immediate attention.

Inflation has found its way into virtually every area of American life. It has a more pervasive effect upon the stability of American institutions than any event of recent times. The time has come to bring it under control.

Our economic system rests upon a complex financial structure. It cannot function effectively under double digit price inflation. There is no substitute for digging out the root causes and eliminating them.

I do not envision this process as being either easy or quick. It certainly will not produce easy answers to difficult problems. But I am confident that some central lines of thought and policy will be defined.

I request that you test all policy options against the long-term goal of reducing inflation. Beguiling short-term solutions are too often purchased at too high a price in the longer term. My hope is to avoid being drawn from one crisis solution to the next. I would prefer concentration on curing the disease to preoccupation with its symptoms.

This does not mean that we will be insensitive to the many short-term problems which will emerge. But let us avoid programs which yield temporary benefits to some in the short run, only to worsen the outlook for all in the long run.

As we move toward defusing inflation, the pressures of many groups in our society will undoubtedly become severe. Many will seek special assistance which they see as basic justice. If all such requests are met, inflation will never be controlled. All

Americans will suffer even greater burdens. The challenge is to balance the short term needs of a few against the long term needs of the majority. This will require the cooperation of the Congress, business, and labor.

Inflation is not merely an American sickness. It is a world-wide epidemic. Its solution requires close contact with other nations. We must seek to solve our mutual problems through cooperation.

It is appropriate that a Conference on Inflation begin with a meeting of economists, the professional observers of the problem. Your opportunity to assist is obvious. I know you will give us your best thinking. I look forward to hearing from each of you.

THE WHITE HOUSE

WASHINGTON

INTRODUCTORY REMARKS

SEPTEMBER 5 MEETING OF ECONOMISTS

I am pleased and appreciative that this distinguished group has come together today. Seldom has the Federal Government during a time of peace undertaken a national conference of equal importance to our future. It is a uniquely American, open meeting.

The Conference on Inflation is a Joint Executive-Legislative enterprise. It brings together the talents of men and women in the Administration and the Congress, as well as leaders from all sectors of American society. It unites Republicans and Democrats in a common cause. This is appropriate. The problem of inflation affects all Americans. Its solution requires a common effort, ~~and common sacrifices~~. In the traditional American way, we favor policies which will require the involvement and ^{understanding} ~~sacrifice~~ of all -- so that all may benefit.

This conference is a vehicle by which ideas can be generated and introduced into the decision-making process. These meetings must not become an empty exercise in rhetoric. We have assembled some of the finest minds in the country. We intend to listen. But instant solutions will not emerge

from these meetings. The problem of inflation is complex and will not easily disappear. We do expect the discussions of this conference to set a base for decision-making by the President, the Congress and leaders in the private sector.

The purpose of this conference is to help conquer inflation by: First, understanding the cause of our problem and clarifying our present situation. Secondly, exploring new ideas and approaches and reconsidering untested ideas from the past. Thirdly, setting long-range policy by seeking consensus where it exists and delineating alternatives for decisions by those with the responsibility for action. Finally, acting promptly to identify hardship areas requiring special and immediate attention.

Inflation has found its way into virtually every area of American life. It has a more pervasive effect upon the stability of American institutions than any event of recent times. Can we live and adjust to inflation, or ~~do~~^{must} we make the effort required to bring it under control?

Our economic system rests upon a complex financial structure which cannot function effectively under double digit price inflation. We must recognize that there is no substitute for getting at the root causes and eliminating them.

I do not envision this process as being either easy or quick. I certainly do not expect you to give me ready answers to our myriad problems. I do hope, however, that some cen-

tral lines of thought and policy do emerge.

I request that you test all policy options against the long-term goal of reducing inflation. Beguiling short-term solutions are too often purchased at too high a price in the longer term. My hope is to avoid being drawn from one crisis solution to the next. In crisis situations it is tempting to treat symptoms creating even greater difficulties down the road.

This does not mean that we will be insensitive to the many short-term problems which will emerge. Yet programs which yield temporary benefits to some in the short run, only to worsen the outlook for all in the long run, should be avoided.

As we move toward defusing inflation the pressures of many groups in our society will undoubtedly become severe. Many will seek special assistance which they see as elemental justice. If all such requests are met, inflation will never be controlled. ^{Then} ~~all~~ Americans ^{would} ~~will~~ suffer ^{by} even greater burdens. The challenge is to balance the short term needs of a few against the long term needs of the majority. This will require the cooperation of the Congress, business, and labor.

Inflation is not merely an American problem. It is a world-wide malady. Its solution requires close contact with other nations. We must seek to solve our mutual problems through cooperation.

It is appropriate that a Conference on Inflation begin with a meeting of economists, the professional observers, ^{4 analysts} of the problem. Your opportunity to assist is obvious. I know you will give us your best thinking. I look forward to hearing from each of you.

[ca. 9/5/77]
Green span Original

We are all aware on a day to day basis of the inflationary pressures which confront our economy. In fact, the problem is so pervasive that we often miss the fact that many problems we attribute to other causes are in fact indirect consequences of inflation. Inflation has wormed its way into virtually every nook and cranny of American life and has had a far more pervasive effect upon the stability of American institutions than any event of recent times.

We are obviously led to the question: can we live and adjust to inflation or do we make the effort required to bring it under control.

While there are ~~unquestionably~~ numerous things we can do which will ease the pressure and burden of inflation ~~somewhat~~, it is essential that we recognize that ^{for} in the most part they can only ^{imperfectly} deflect some of the more painful adjustment processes.

Our economic system rests upon a complex financial structure which can not function effectively under double digit price inflation. Our utilities are under severe strain as costs mount rapidly. Our thrift institutions (the major source of financing

to our housing industry) have become particularly vulnerable now that inflation has escalated the cost of short-term money well beyond the earning capability of their long-term mortgage assets. Hence while we may try to assuage the symptoms of inflation, we must recognize that that is no substitute to getting at the root causes and eliminating them.

I do not envisage the process being either easy or quick. I certainly do not expect you to give me ready answers to our myriad problems nor do I expect any consensus coming from you in the conventional sense of the word. I do hope, however, that some central lines of thought and policy ^{will} ~~do~~ emerge ~~even~~ ^{especially if} if there is some general view about some of the noncauses and nonsolutions of our basic problem. _{as I believe}

I do not, however, ~~request to~~ ^{request} meet with you without ~~setting~~ some specific ground rules ^{and objectives}.

I request that you test all ~~of~~ policy options against the longer-term goal of reducing inflation. Beguiling short-term solutions are too often purchased at too high a price in the longer-term. There is no question, for example, that should we ~~choose to~~ ^{all would like}

~~go~~ policies which would guarantee housing starts at 2-1/2 million units during the next year. ^{We} We could do ^{this} ~~it~~ but the inflationary

effects of such policy would doubtless rapidly overwhelm us. Interest rates would escalate and homebuilding, not to mention the rest of the economy, a year or two hence would be struggling in an even worse economic environment than we find ourselves in today. My philosophy of policy is to avoid being drawn from one crisis solution to the next where by definition our reactions treat symptoms only, often at the expense of creating far more ^{serious} difficulties down the road.

We must construct policies so as not to lose sight of our long-term goals. Our economic strength results from the cumulative productive efforts of generations of Americans planning for their future and for the future of their offspring. We did not develop the most productive mechanism the world has ever known by short-term panaceas and crisis solutions. Our free enterprise system cannot function in such an environment.

We can no longer afford frenetic policy zig zags. We must keep our eyes on our ultimate goal of returning to the type of non-inflationary productive economy which has characterized the United States for virtually all of its history.

In setting our economic course today, and in ~~all~~ our subsequent choice of policies

This does not mean that we ^{can} ~~will~~ be insensitive to the numerous

short-term problems which are bound to emerge as we develop programs to defuse the inflationary pressures which plague us. It is my view that government has been the main cause of our inflation and accordingly we are clearly obligated to assist those who are placed in hardship by government actions. We plan, however, to construct such programs so as not to undercut our broader purposes. Programs which yield temporary benefits to some in the short-run only to worsen the outlook for all in the long-run are the types of policies we should seek to avoid.

We will seek consensus where we can find it under these ground rules and make the hard choices where we cannot.

As we move towards defusing the inflation which confronts us the pressures on numerous groups in our society will doubtless become severe. Many will seek special assistance which they will see as elementary justice. It is clear, however, that should all such requests be met, inflation will never be controlled and all Americans will suffer under the onslaught of ever greater inflation. We must recognize that superficial panaceas that look good today can hurt us all tomorrow. In this we need the cooperation and understanding of the Congress, business and labor.

If we all seek to serve our special interests in the short-run we will all suffer in the long-run. But the issue is broader.

Getting inflation under control ^{is} ~~an essential objective~~ not only ^{for} of the United States but ^{for} ~~of~~ practically all other countries too.

Indeed, our recent inflation rate, while wholly unacceptable to us has been exceeded by the inflation rates of most of our major trading partners. We cannot expect full snychronization of the results of the fight against inflation here and in the other countries.

Despite our common objectives, ^{success in reducing or in the} ~~the rate at which~~ inflation will ^{not be even uniform} ~~become reduced will not be identical~~ everywhere, ~~nor will the~~ accompanying slowdown of economic activity ~~be identical.~~

^{Beth} Unexpected differences in timing ~~to which no adjustment can be~~ ~~made at an early stage~~ could cause significant disturbances in the international community of interdependent nations. ~~and~~ We

therefore must remain in close touch with each other in order to exchange information about ^{our problems and our} planned policies and about ~~the~~ ^{our} progress, ~~we are actually making~~. Of this my Administration is fully aware and I have good reason to believe that these convictions and the will to cooperate are shared by our trading partners.

Both and the strains now being placed upon the international financial markets



OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AT THE
OPENING OF THE
CONFERENCE ON INFLATION

THE EAST ROOM

AT 9:32 A.M. EDT

Good morning. It is a pleasure to be here with the distinguished Members of the Congress, both Democrat and Republican, and the very eminent group of economists and guests.

I look forward to a very beneficial and fruitful meeting this morning. This meeting marks the start of our national Conference on Inflation. I have called this series of working conferences in response to a bipartisan recommendation by the United States Senate and with the cooperation of concerned citizens representing all elements of our American society.

Our purpose is to find ways by which we, the American people, can come to grips with our economic difficulties and surmount them.

This has been called a summit conference. Maybe that title is a bit misleading. Recent summit conferences have been held between leaders of international adversaries with the hope of reducing their differences. Around this table there are no adversaries. We come together as allies to draw upon, or to draw up, I should say, a battle plan against a common enemy, inflation. Inflation is our domestic enemy No. 1.

Battle strategies are usually devised in secret, At my insistence this is a typically American open meeting. Some skeptics have warned me that putting 28 of our most distinguished economists and eight Members of Congress, both Democratic and Republican, on public display with live microphones would produce a spectacle something like professional wrestlers playing ice hockey. (Laughter) But I am ready to referee this opening match.

It is not widely known, but I started out in college very much attracted to economics. Later I switched to the law, probably because the legal profession seemed a better path to success in politics.

Having come this far, I can see why no economist would ever dream of wanting to be President.

MORE

But if we succeed in the job cut out for us, I can promise you there will be statues of each of you in every city park throughout the United States. Economics will never again be called a dismal science, nor will politicians, if we succeed, even dare again to hide behind the old alibi that the people just don't understand economics. The people understand economics very, very well and they are sick and tired of having politics played with their pocketbooks.

This Conference on Inflation is a joint enterprise of the Legislative and Executive branches of our Government which can become a monument to politics in the very best sense of the word. It unites Republicans and Independents and Democrats in an election year against a deadly enemy that doesn't recognize one political party from another.

The President cannot lick inflation. The Congress cannot lick inflation. Business, labor, agriculture and other segments of America cannot lick inflation. Separately we can only make it worse, but together we can beat it to its knees.

These meetings are not going to be empty exercises in economic rhetoric, neither are they going to reveal any quick miracles. There is no quick fix for what ails our economy. I for one refuse to believe that the very best brains in America and the ~~smartest~~, hardest working workers in the world cannot find a workable way to get the productive machinery of this great country back on the track and going full speed ahead.

Let me say, or set out, if I might, a few ground rules at the outset. We can't waste time stating and restating the problems. The problems are obvious, painful and perplexing.

What we want are some right answers, not a long list of the alternative answers, theoretical and hypothetical, good and bad. We need to have attainable answers sharply defined and carefully sorted out with the pluses and the minuses of each clearly stated.

We are looking for action that is practical, possible and as rapid in its effect as we can reasonably expect.

I don't have to tell all of you experts that there are many answers, most of which have been tried at some historic time. But before this conference ends, I would like to see and to have set before the American people a consistent and considered package of the most promising answers that you can find, some of which, or all of which will restore economic stability and sustain economic growth in these United States.

MORE

If our country is economically healthy, the whole world will be economically healthier. Inflation is a world-wide epidemic and we will quarantine it in collaboration with our friends abroad.

As you test your answers against the hard rock of economic law, as you discard beguiling instant cures for reliable remedies, as you try to treat the cause rather than the symptom, I ask you to bear in mind that no solution will work without a lot of willpower and individual sacrifice. America has plenty of both -- a capacity for both.

Sacrifice is easy to ask of others. It is harder to demand of ourselves. Burdens never fall equally on everybody's shoulders, but we must seek to share them as widely as the prosperity we hope will follow. The burdens of battle against inflation will be lighter if every American, all 210 million of us, lends a hand.

There will be ten more specialized meetings over the next few weeks culminating in a final two-day session on September 27 and 28. When we are done, there will be some things we can agree on.

I hope these areas of agreement will be greater than the areas of disagreement. But it is a fact that our economic system, like our political system, is based on competition in the honest conflict between different interests and different opinions. So there will be some things about which we cannot reach a consensus.

This would be a dull country without dissenters. But fortunately that is not a foreseeable danger in this case. Where we disagree, it will be necessary for the President and the Congress to make some very hard decisions. Our political system is designed to do exactly that, relying in the end on the ultimate good sense of the American people.

That is why these conferences must be open to the public. After all, it is their business we are really talking about.

So, ladies and gentlemen, let's get to work.

At this point I would like to ask the newly sworn-in chairman, Mr. Alan Greenspan, to give his outlook on the economy.

END (9:42 A.M. EDT)

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AT THE CONFERENCE ON INFLATION

THE EAST ROOM

9:47 A.M. EDT

Let me at the outset wish you all a good morning and to express my deep appreciation for your attendance at this very important and very critical meeting.

Naturally I am very pleased to have in attendance the distinguished Members of the House and the Senate -- both Democratic as well as Republican -- and I am especially pleased to see so many outstanding labor leaders in the United States. And I warmly welcome each and every one of you.

Obviously we are gathered here to deal with the inflation and the immediate danger that is threatening every American, young and old, poor and well-to-do.

It is a very critical issue. I think the future of labor union members and all other Americans depends upon what we can achieve together in this campaign against inflation. And I wish to reemphasize my appreciation for your participation.

Some of you have generously accepted an additional burden by agreeing to participate in such other meetings. By so doing, you have indicated that you share with me the conviction that inflation is the most critical national domestic issue facing the United States.

I am grateful for your willingness to work with me on a problem that transcends America's many special interests, whether Republican or Democratic, labor or business, urban or rural.

I think it also goes beyond any division based on age, sex, race, color or creed.

The enlistment of trade unionists in the war against inflation is consistent with the patriotic involvement of American labor in every great challenge that our nation has faced. Without the productive dedication of American labor, World War II might have ended very differently.

MORE

Labor built America and labor is America. Together we must now preserve and enhance the economic base of our existence from everybody's enemy, the scourge of inflation. I have described it as public enemy number one in America, and it might be expanded actually to say that it is a worldwide problem.

We need your advice and we need your guidance on this issue of such overwhelming concern to all your members. I want your ideas on steps which can help the individual as well as the nation.

Today's meeting is a part of the series that culminates in the conference on inflation on September 27 and 28. Since this is only a one-day session, let's get directly to the point. Let's dispense with formality. Let's be frank. Let us also try to keep our comments brief and specifically on target.

I should say that the meeting we held last week with 28 outstanding economists was by all standards a success.

I must confess I was dubious that we could get that many divergent economists together and have them come up with a superb performance, which they did, and I am confident in this room we can have the same constructive results.

I will certainly welcome, however, any detailed statements that anyone wishes to make in the form of a written proposal, and please submit these directly to me, if you will, within the next several days. This will give us adequate time to consider them before the conclusion of the designated timeframe.

You are aware of the severity of inflation although inflation is unfortunately no novelty in our economic history.

MORE

But the present form is the worst we have experienced in 27 years. Consumer prices are increasing at an unacceptable annual rate of 11 percent. Statistics alone are inadequate to describe the inflation in human terms, cold and impersonal numbers and percentages cannot describe the impact on individual lives.

While everyone is hit by inflation, some obviously are hit much harder. I am thinking of families in the low and moderate income levels, of older people who are struggling, trying to live on modest incomes, or young people whose initial experience with the employment scene may not generate confidence in our economic system. These are very real problems which must guide the actions of Government as well as the decisions in the private sector.

Government has the particular obligation to act responsibly, and we will. We will make a concerted effort to cut the budget and reduce our expenditures to show our willingness to sacrifice. But we shall wield our budgetary knife ever so carefully so as not to sacrifice the meat while trimming the fat.

Within our general budgetary restraint, we shall be mindful of the need to increase what we allocate to the essential, while we decrease what we apportion to programs which are to some extent discretionary.

We also must exercise care to prevent our recently overheated economy from cooling off too rapidly. We must, at all costs, avoid a damaging recession.

We are now making a cooperative effort, in response to the initiative of the distinguished majority leader of the United States Senate and other Members of the Congress, on a bipartisan basis. The Legislative and Executive Branches are working together and this is evidenced by the people who are here from both political parties to seek short-term answers to short-term problems and long-term answers to long-term problems.

In May of 1973, the Administration requested enactment of the Job Security Assistance Act. This proposal is an important part of our policy to assist in a period of rising unemployment. It would modernize the unemployment compensation system without violating the relationship between the States and the Federal Government.

I recognize the concern of many that unemployment might rise because of the policies we must follow to fight inflation. I am watching the unemployment rate very, very closely. This Administration, as I said the other day, will act with compassion. We will not permit the burden of necessary economic restraint to fall on those members of society least able to bear the cost.

MORE

The unemployment rate in August, announced last Friday, was 5.4 percent. But we certainly cannot be complacent about any American lacking work. The present situation calls for full use of currently available tools and dollars. As a consequence, I have instructed the Department of Labor to accelerate the obligation of currently available funds under the Comprehensive Employment and Training Act.

The Secretary of Labor will immediately disburse \$65 million to those communities in which unemployment is at the highest level. By the end of the month, he will make available another \$350 million under the CETA's Title II program. This \$415 million will finance some 85,00 public sector jobs in State and local governments.

Added to the almost \$550 million obligated for public service employment in June from the FY 1974 appropriation, and about \$50 million in prime sponsorships under the CETA Title as allocated for this purpose, currently available resources will provide approximately 170,000 public service jobs this coming winter.

The effect of these actions, based on the tools and the dollars we have, will be to double the number of Federally funded public service jobs. In addition, \$1.3 billion will be available to State and local governments for manpower programs.

Beyond this, drawing on the outcome of the Conference on Inflation, and your suggestions, we will develop contingency plans against the possibility that unemployment might give evidence of rising to substantially higher levels.

If the employment statistics demonstrate the need in the future, we will be ready to present such plans to the Congress and to work together to assure a mutually satisfactory course of action before the end of this session.

To the leaders of our labor unions, and to the captains of industry, I make a sincere appeal for restraint. It must be a self-imposed restraint. As I have said before, there will be no controls imposed on wages and prices, as far as I am concerned. Settlements at the bargaining table are the sole responsibility of the participants, so long as they respect the public interest.

We need your help today, not merely for my Administration, but for the whole Nation. I hope this discussion will not only be productive of ideas to preserve the American dollar, but will demonstrate that in a time of crisis we remain a Nation united.

MORE

Page 5

With those opening observations and comments,
I would like to move now to some observations and comments.

First, I would like to call on my friend
George Meany, who will make his comments.

END (AT 10:01 A.M. EDT)

THE WHITE HOUSEPRESS RELEASE

The President announced today the formation of a new Economic Policy Board which will oversee the formulation, coordination and implementation of all economic policy.

The President named Secretary of the Treasury, William E. Simon as Chairman.

As such, Secretary Simon will act as the principal spokesman for the Executive Branch on matters of economic policy. The new Board will be the focal point for economic policy decision-making, both domestic and international. Secretary Simon will also chair an Executive Committee of the Board which will meet daily.

The President also announced the appointment of L. William Seidman as Assistant to the President for Economic Affairs. In addition to a wide range of other duties, Mr. Seidman will serve as a member and Executive Director of the Economic Policy Board and its Executive Committee. In his new roles, Mr. Seidman will be responsible for coordinating the implementation of economic policy and providing liaison with the Presidential staff and with other governmental activities.

Secretary Simon and Mr. Seidman will have responsibility for ensuring that there is adequate coordination among

484 3272

SCANNER READY COPY
INSIDE LABOR
By Victor Riesel

Release on Receipt
Dispatched 9/26/74

Very important - file

Summit's Too High:

Ford's Labor Honeymoon
About Over Now

WASHINGTON--To steal (and paraphrase) a recent politician's old quote--once you've heard one Ron you've heard them all. Mr. Ford's new press chap, Ron Nessen, told the boys during a pre-summit moment that the mini-summits had convinced some of the President's Oval Room advisers that the public has been convinced there wouldn't be a 1930s-type depression.

This proves that Washington is a walled city. The public is worried about a depression of the 1970s type--lots of dollars which buy little. Powerful organized labor is especially restless. The rank and file is in a mood to tie the nation in knots.

Someone in the White House should know that on Aug. 18, 1971, for example, one of labor's top spokesmen, reflecting the national chief's anger over Dick Nixon's sudden 90-day wage-price freeze, said:

"If we were to snap our fingers there would be a general strike Friday morning."

A general strike would have crippled the nation. Period. And few know that for several days some mighty influential labor leaders discussed closing down New York City with an anti-freeze strike protest. This would have paralyzed much of the Northeast in 72 hours.

These men weren't joking. I have the memos and citations. They went along because, though but three years

--MORE--

x x x years

ago, times were different. There had been a Nixon-labor honeymoon. The steel workers had just been helped by the White House to a handsome raise wrenched from a hapless and helpless industry. When the government backs the opposition all other forces are hapless and helpless. And Dick Nixon did pressure the steel industry.

That honeymoon ended swiftly. Now, summits or no summits, Jerry Ford's love-fest with labor is at the bag-packing hour. Mistake it not. The union chiefs like the President.

He's a mighty pleasant relief from the Lyndon Johnson play-acting and the warmed-over iciness of latter-day Dick Nixon. Ford is warm, outgoing and "a natural fellow," says one labor leader who is about to stir up the big cities, "but . . ."

Labor is ready to strike. For example, there now is no doubt inside truly informed circles that the coal miners will leave the pits on or before Nov. 12 for a few weeks at least. Machinists' president Red Smith and auto union leader Leonard Woodcock, working in tandem, will have to strike the aerospace industry if they don't satisfy their ever-younger, ever-more demanding rank and file. There are other critical areas but it's worth digressing briefly to report what occurred--and generally went unreported--at the recent International Brotherhood of Electrical Workers (AFL-CIO) convention in Kansas City.

This is a powerful union of over 800,000 members. Many

x x x Many

of the delegates were young. Many were edging 40 to 45. Their leaders mostly are veterans indeed. But the delegates insisted on passing a resolution which will cut down these old-timers. The convention passed a resolution setting mandatory retirement of officers at 65 years of age. In two years this rule will terminate the careers of some of the most influential men in the entire labor movement.

This could be significant graffiti on Washington's invisible walls. The action is out there, not here. Not at the summits--mini and major. The plan to reconstitute a presidential labor-management advisory committee is good but almost futile. It will advise the President's new economic policy team. But this new team and the projected advisory committee's labor members just don't see eye to eye.

So re-read the buried history of 1971-74 freezes and phases. See how the labor chiefs balked. But they weren't really pushed from behind by their rank and file which wasn't being pinched by the kind of overinflated dollar of today.

So Mr. Ford should take another look at his labor-management advisory plans. Someone in the White House should go outside the walls and learn what "local autonomy" is inside labor. Yes, that's where the action is. That's where the decisions are made.

National labor chiefs are influential in many national policymaking areas. But many of them can't head off a strike, nor get the local leaders to shave a nickel from demands or quell a wildcat walkout.

Besides which, someone in the White House should read the big print. Labor chief George Meany already has warned

x x x warned

of strikes if the unions don't get catch-up raises of 10 or 12 per cent a year. But even that's too small for the rank and file. They keep rejecting contracts with \$40- to \$60-a-week pay hikes. And why not? They have before them the case of the national steel workers' union leaders who just got a 25 to 40 per cent pay increase. The pay of the estimable and respected United Steel Workers' president I. W. Abel was raised \$15,000, to \$75,000 a year. The other officers moved right along up.

Everybody is shouting they want theirs. This means action. This also means the White House had better, while it's working out the rest of the economy, create a real network, an active force, of regional and local labor-management, industry by industry committees which can keep the cool.

Call it what you will, there's social tension out there. It could get rough. Is nobody listening?

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THE WHITE HOUSE
WASHINGTON

9/26/74

TO: Bob Hartmann

FROM: PAUL THEIS

Attached is a copy of the Summit opener which we discussed. Bill Seidman has a copy and has discussed it with the President (or plans to do so also).

*Bill Seidman - this is
OK with suggested
changes* PPA

September 26, 1974

REMARKS OF PRESIDENT GERALD R. FORD

CONFERENCE ON INFLATION

FRIDAY, SEPTEMBER 27, 1974, WASHINGTON, D. C.

HILTON HOTEL

At the first session of the Conference on Inflation, I asked that we get to work on a battle plan against Public Enemy No. 1. Important work has been done. Today, the climax of these efforts is at hand. I welcome the many distinguished Members of the Congress and citizens from all sectors of American society. I appreciate your commitment and involvement.

I am also pleased to welcome representatives from any foreign nations. This is an interdependent world. Inflation is an international problem. The efforts of each nation can be more effective if concerted action is achieved. The United States Government will consult with friends abroad as we move to combat an international threat.

I look forward to a productive series of discussions today and tomorrow morning.

In the tradition of the American town hall, this conference includes the widest range of views and opinions. Inflation concerns all Americans. This is a joint Executive-Legislative undertaking in response to bipartisan recommendations of the Congress. It demonstrates that Americans can still come together effectively to confront an immediate danger threatening every citizen.

There has been much talk at this month's sessions. But there has also been action and generation of ideas that will be used.

We have taken a good look at many options. We are ^{already} ~~now~~ narrowing ^{some} of the options to those which ^{would appear} ~~are~~ most effective ^{and command} of widest support.

I appreciate your willingness to work with me on the inflationary problem which transcends America's many special interests -- whether Republican or Democratic, labor or business, urban or rural. Nor does inflation respect age, sex, race, color or creed. And inflation certainly punishes most cruelly those least able to cope with it.

Today's conference, like the ones that preceded it, is wide open. All views and opinions are invited. This Administration's commitment to visible and responsive Government remains intact. I might not like everything I hear. But it is my solemn duty as President of the United States to give fair consideration to all views and to carefully weigh the possible courses of action.

At the outset of this session, a word about expectations is appropriate. In searching for the best policies, let us recognize that there are no quick or easy solutions. No miracle cure has emerged from the pre-Conference meetings. Inflation is a problem which we must deal with patiently and persistently. In this battle there is no substitute for candor and hard work.

Spokesmen from the specialized meetings will report areas of general agreement. I have also asked them to report areas of disagreement and alternatives which the Congress and I must consider in making the difficult decisions.

I have ^{unlimited} confidence in America. The battle against inflation will not be an easy one. It will require sacrifice and common effort. It will require discipline. But we will win.

This Administration will seek to ensure that burdens are distributed equally. No group should be called upon to carry an unfair share of the load.

American resourcefulness and ingenuity helped build this Nation and provide an abundance unknown by most other peoples of the world. Although America must increase its productive capacity, this by itself will not eliminate the scourge of inflation. Other actions and hard decisions are required. We cannot hope to satisfy all. But we will act in the interest of all.

I intend to constantly reassess policies and change those which are not working. My actions will not be set in concrete. As President, I will continue listening, with all the openness of which I am capable, and acting with all the decisiveness at my command. Together, with confidence in America's great capacity, let us begin.

Agenda for
The Conference on Inflation

Friday, September 27, 1974

- 9:00 INTRODUCTION
L. William Seidman
Executive Director
Conference on Inflation
- INVOCATION
Reverend Edward Latch
Chaplain, U. S. House of Representatives
- 9:05 OPENING REMARKS
The President
- 9:15 OPENING REMARKS
Congressional Leaders
- 9:35 BANKING AND FINANCE panel
- (EACH PANEL will be given 45 minutes, divided into brief presentations by Congressional and private-sector delegates; discussion with the President and the Steering Committee; and comments and questions from delegates in the audience.)
- 10:25 LABOR panel
- 11:10 FOOD AND AGRICULTURE panel
- 11:50 FEDERAL PANEL: Presentation by Federal Reserve Board, Office of Management and Budget, Department of Defense, Science Adviser to the President
- 12:30 LUNCH
- 2:00 HOUSING AND CONSTRUCTION panel
- 3:00 NATURAL RESOURCES AND RECREATION panel
- 3:50 HEALTH, EDUCATION AND WELFARE panel
- 4:45 TRANSPORTATION panel
- 5:30 Adjourn until Saturday morning

Saturday, September 28, 1974

- 9:00 BUSINESS AND MANUFACTURING panel
- 10:00 STATE AND LOCAL GOVERNMENTS panel
- 10:55 ECONOMISTS panel
- 11:40 OPEN DISCUSSION WITH FLOOR DELEGATES
- 12:30 CLOSING REMARKS
Congressional Leaders
- 12:45 CLOSING REMARKS
The President
- 1:00 Conference adjourns

REMARKS OF PRESIDENT GERALD R. FORD

CONFERENCE ON INFLATION

SATURDAY, SEPTEMBER 28, 1974, WASHINGTON, D. C.

WASHINGTON HILTON HOTEL

This is not the end -- but the beginning.

Like yesterday's session, this final meeting is in keeping with American tradition. We as citizens of this great country are once again involved in shaping policies that affect our lives.

You have discussed many ideas. You have spoken candidly.

As a result, I, along with other Americans, have gained a better understanding of our economic problems. Perhaps we have caught glimpses of the political problems as well. But, even in our controversies, we have all developed a surer sense of direction.

You have done your job well. Now it is my turn. In the days immediately ahead, I will offer to the American people and to the Congress an action program which will help restore

balance and vitality to our economy. This program could not have been formulated without your participation and without the support of millions of other Americans who have given us their ideas.

We agree on one vital point: Inflation must be stopped.

This Administration will respond -- not with words but with actions and programs.

As your President, the only special interest I represent is the American people -- housewives struggling with rising grocery prices, workers whose real purchasing power has eroded because of inflation, businessmen trying to control rising costs, families needing new homes but unable to find mortgage money to buy them, those thousands of unemployed who want to work -- indeed, all 213 million Americans.

I pledge to you that I will not shrink from the hard decisions needed to meet the problems facing us. This is a critical hour in America's history. It requires that Americans rise above partisan or factional interests. The future of our political and economic institutions, indeed of our whole way of life, is literally at stake.

A fundamental fact of history is this: Nations which cannot impose on themselves a disciplined management of their fiscal and monetary affairs are doomed to economic disorder and widespread inflation. This discipline is imperative and urgent if we are to achieve a stable and expanding economy.

The American people have repeatedly demonstrated their ability to submerge personal and group interests to the general welfare. When they know the chips are really down, they will do it again.

As part of the demanded discipline, I will send to the Congress

~~by October — if not sooner,~~ a plan of action to keep Federal outlays

for fiscal year 1975 at or under \$300 billion. Every dollar the

Federal Treasury must borrow is a dollar not available to the

homebuyer or to the businessman trying to expand or to other

citizens who are borrowers.

A coherent national policy on energy is essential for economic

stability. It must encourage more prudent use of energy. There

must be an assured supply to enable consumers and businesses to

plan in a confident and orderly manner. I will soon propose a

national energy program aimed at assuring adequate internal

supplies while reducing our dependence on external sources.

Today, I want to announce three actions I have just taken:

First, I have today directed the consolidation by Executive Order of all the Federal Government's economic efforts under a new Economic Policy Board. The Secretary of the Treasury, William Simon, will serve as chairman of this board and as my principal spokesman on matters of economic policy. I have also appointed Mr. L. William Seidman to serve as my assistant for economic affairs as well as Executive Director of the new Economic Policy Board.

In addition to Secretary Simon and Mr. Seidman, I have appointed as members of this board these Cabinet officers:

Secretary of State Henry Kissinger; Secretary of the Interior Rogers C.B. Morton; Secretary of Agriculture Earl Butz; Secretary of Commerce Frederick Dent; Secretary of Labor Peter Brennan; Secretary of Health, Education, and Welfare Caspar Weinberger; Secretary of Housing and Urban

Development James Lynn; and Secretary of Transportation

Claude Brinegar.

In addition, membership includes the Director of the Office of Management and Budget, Roy Ash; the Chairman of the Council of Economic Advisers, Alan Greenspan; and the Executive Director of the Council on International Economic Policy, William Eberle. Dr. Arthur Burns, Chairman of the Board of Governors of the Federal Reserve System will attend meetings of this board, which will start to work immediately.

Second, I have established by Executive Order a White House Labor-Management Committee with which I will consult personally. Eight labor leaders and eight business executives will comprise its membership. The objective of this committee is to not only serve as adviser to me on major economic policies but to help assure

effective collective bargaining, promote sound wage and price policies, develop higher standards of living, boost productivity and establish more effective manpower policies.

Dr. John C. Dunlop, professor of economics at Harvard, has agreed to serve as coordinator of this committee.

Representing labor on the committee will be President George Meany of the AFL-CIO; Secretary-Treasurer Lane Kirkland of the AFL-CIO; President I. W. Abel of the United Steelworkers of America; President Murray H. Finley of the Amalgamated Clothing Workers of America; President Paul Hall of the Seafarers International Union of North America; President Frank E. Fitzsimmons of the Teamsters International Union; President Leonard Woodcock of the United Auto Workers; and President Arnold Miller of the United Mine Workers.

Representing management on the committee will be

John D. Harper of the Aluminum Company of America;

Reginal H. Jones of General Electric; Stephen D. Bechtel, Jr.,

of the Bechtel Group; Richard C. Gerstenberg of General Motors;

Rawleigh Warner, Jr., of the Mobil Oil Company; Walter B.

Wriston of the First National City Bank; Arthur Wood of

Sears, Roebuck and Company, and R. Heath Larry of U.S. Steel.

The Council on Wage and Price Stability, which was established by Congress, is another weapon and plan to use in the fight on inflation. I have asked Dr. Albert Rees, a distinguished economist and professor of economics at Princeton, to direct the council's activities.

The most important weapon in this fight against inflation is the spirit of the American people. I call on each of you in this room today but more urgently, on each of you at home watching

on television and all the other Americans across this vast land who hear or read my words to join me in a great effort -- to become Inflation Fighters and Energy Savers.

I can almost hear you ask: How can I help? Many of the ways you know as well as I do. You have heard some suggestions outlined here. Sit down with members of your family and make up your own list of ways you can fight inflation and save energy.

I will outline my suggestions to you at the same time I spell out my views to Congress on legislation which will be needed. But for now, let me emphasize this point. The success or failure of our efforts against inflation will rest with you, the American citizen. We in government can provide guideposts and erect stop-and-go and caution signs -- but our efforts will be only as successful as our combined efforts.

Inflation strikes society unevenly. Government must concern itself with those on whom this burden falls excessively. For instance, we must provide productive work for those without jobs. We must adjust our tax system to encourage savings, stimulate productivity, discourage excessive debt, and to correct inflation-caused inequities.

May I say a special word to our distinguished foreign guests. What you heard here yesterday and today may remind you of the current problems of your own country's economy, for the problems of people are not very different wherever they live and work.

We all suffer from inflation. I assure you that the United States is seeking earnestly for solutions that will help, not hinder, other nations' efforts to advance or restore their economic health. I will have extensive consultations with other governments aimed at strengthening international institutions and to assure that we do not again experience world wide and interacting inflations and deflations.

There are difficult decisions ahead. From the many alternative policies, we must fashion a coherent and consistent program. I will present my recommendations to the nation and to the Congress within the next ten days.

I do not minimize the problems that we face. We are an impatient people. But it will take time to correct problems that have been building for years.

As I noted at the beginning, Americans have always been able to unite in crisis. We are still able to do so. We will win this battle as we have others. United, we cannot fail.

Thank you.

#

(Friedman)PT

September 27, 1974

REMARKS OF PRESIDENT GERALD R. FORD
CONFERENCE ON INFLATION
SATURDAY, SEPTEMBER 28, 1974, WASHINGTON, D. C.

WASHINGTON HILTON HOTEL

WA

~~This is not the end -- but the beginning.~~

*New
start*

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~~with American tradition. We as citizens of this great country~~

~~are once again involved in shaping policies that affect our lives.~~

You have discussed many ideas. You have spoken candidly.

As a result, I, along with other Americans, have gained a better understanding of our economic problems. Perhaps we have caught glimpses of the political problems as well. But, even in our controversies, we have all developed a surer sense of direction.

homework

You have done your ~~job~~ well. Now it is my turn. In

the days immediately ahead, I will offer to the American people

and to the Congress ~~an~~ *of action* program which will help ~~restore~~ *bring*



THE WHITE HOUSE

WASHINGTON

Ladies and gentlemen, companions in this conference, and my Fellow Americans. Thank you for your participation and your contributions to this summit meeting on inflation.

From most summits there is no way to go except down.

From this summit we are going to start up.

This is not the end, but the beginning, of a battle against inflation and waste which will not end until it is won.

I have vowed and I ask ~~you to do this~~ ^{all of you} ~~to do this~~ resolve here and now that we will celebrate our nation's 200th birthday with our economy healthy and strong, with prosperity as well as peace ~~the solid~~ ^{the solid} realities ~~of our great~~ ^{of our great} Republic.

Each of the thousands of dedicated men and women who have come together to map the strategies and tactics of ~~this~~ ^{our} all-out war against our domestic public enemy No. 1 will be ~~the~~ Founding Fathers ~~(of this order)~~ -- if we succeed.

If we fail, then we certainly will all hang separately.

~~XXXXXXXXXXXX~~ General George Washington's words at the ^{infancy} ~~birth~~ of our nation are equally appropriate now: "Let us raise a standard to which the wise and ~~the upright~~ ^{honest} can repair; ~~the~~ ^{rest} ~~event~~ is in the hands of God."

And God helps those who help themselves. On this principle, and time and ~~time~~ again have Americans in two centuries have astonished the world ~~XXXXXXXX~~ confounded the pessimists and the cynics who said it couldn't be done.



George Washington to the Constitutional Convention 1787

from "Treasury of Presidential Quotations" by Harnsberger:

"Let us raise a standard to which the wise and honest
can repair; the rest is in the hands of God."

9/28/74 - Called Mr. Frazier - Reading Room, Library of Congress
and received the following information:

George Washington to the Constitutional Convention 1787

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(A third announcement:

The Council on Wage and Price Stability, ~~which was~~ ^{recently} established

at my request

by Congress, ~~is another weapon and plan~~ ^{arm I will} use in the fight

on inflation. I have asked Dr. Albert Rees, a distinguished

economist and professor of economics at Princeton, to direct

the council's ~~activities~~ ^{work.}

But nobody knows better than I do that councils and committees cannot win this war.

The most important weapon in ~~this~~ fight against inflation is

the This spirit is no secret weapon. It is

the spirit of the American people. I call on each of you in this

room today but more urgently, on each of you at home watching



Remember all over the world

*Paul
get their to
that titles of
were taken I gentlemen.
press office directly to*

M

on television ^{on} and all the other Americans across this vast land

who hear or read my words, to join me in a great effort -- to

become Inflation Fighters and Energy Savers.

I can almost hear you ask: How can I help? Many of the

ways you know as well as I do. You have heard some suggestions

outlined here. Sit down with members of your family ^{right now} and make up

your own list of ways you can fight inflation and save energy.

*Exchange your family's list with
I will tell you some of my own*

I will outline my suggestions to you at the same time I

your neighbors and send me a copy.

spell out my views to Congress on legislation which will be needed.

Some of the best ideas come from your home rather than from the White House.

But for now, let me emphasize ~~the~~ point. The success or failure

of our ~~efforts~~ ^{fight} against inflation will ~~rest~~ ^{rests} with you, every American,

~~in~~ We in government can provide ~~guideposts~~ and erect

~~stop-and-go/and caution signs~~ ^{signals} but our ^{individual} efforts will be only

as successful as our combined efforts.

*Our country is above all a Union,
you and I can make it a
more perfect Union as our fathers did.*



*Insert
B*

I know that all

insert Byp9

~~everywhere~~

across our ~~land~~ country the

~~asks~~

question everyone ~~is asking~~ is

"What
How can I help?"

^{do to} "we can

^{we can} start. Right

I'll tell you how ~~to~~ start. Right
now ~~write~~ ^{write down} a list of 10 ways you
can save energy and fight inflation.

Little things that have become habits
but don't really affect ~~your~~ ^{our} health & happiness.



THE WHITE HOUSE

12

Finally, you will understand ^{two compelling} my reasons for

As evidence of the paramount importance I place on ~~indefinite~~ this problem, I am cancelling all but my most essential appointments and travel plans, ~~until~~ ^{I will stay & wait stay here in Washington} until the mass of evidence and evaluations generated by this conference can be forged into concrete action plans and ~~proposed~~ legislative proposals.

A great leader of this century, in whom the unbeatable willpower of his American heritage combined with English eloquence, rallied his embattled countrymen from almost certain defeat by a blunt promise of Blood, ^{toil, tears and} ~~toil~~ sweat, ~~tear and tears~~.

I trust we can avoid blood and tears.

But I do offer you ^{Plenty of} toil and sweat, ~~and plenty of it.~~

And I will roll up my sleeves and work every bit as hard as you do, ^{starting this weekend} ~~until every American~~, until every American is enlisted as an Inflation Fighter and an Energy Saver, and until this job is done.

I will devote every minute I can to ~~the job~~ ^{to forging} the



concluding

REMARKS OF PRESIDENT GERALD R. FORD
the CONFERENCE ON INFLATION

SATURDAY, SEPTEMBER 28, 1974, WASHINGTON, D. C.

WASHINGTON HILTON HOTEL

Ladies and gentlemen, companions in this conference,
and my Fellow Americans. Thank you for your participation
and your contributions to this summit meeting on inflation.

From most summits there is no way to go except down.

From this summit we are going to start up.

This is not the end, but the beginning, of a battle
against inflation and waste which will not end until it is
won.

I have vowed and I ask all of you to resolve here and
now that we will celebrate our nation's 200th birthday with
our economy healthy and strong, with prosperity as well as
peace the solid realities of our great Republic.

~~Each of the~~ *F*housands of dedicated men and women who
in this series of inflation conferences
have come together to map the strategies and tactics of our



1a

all of you

all-out war against ~~the~~ ^{America's} domestic ~~public~~ enemy No. 1 will be ~~the~~

new Founding Fathers -- if we succeed.

If we fail, then ~~we~~ ^{we} certainly will all hang separately.

General George Washington's words at the ~~start~~ ^{start} of our ~~at birth~~ nation are equally appropriate now: "Let us raise a standard to which the wise and honest can repair; the rest is in the hands of God."

And God helps those who help themselves. ~~I~~ On this principle, Americans in two centuries have astonished the world and time and time again have confounded the pessimists and the cynics who said it couldn't be done.

You have discussed many ideas. You have spoken candidly. As a result, I, along with other Americans, have gained a better understanding of our economic problems. Perhaps we have caught glimpses of the political problems as well. But, even in our controversies, we have all developed a surer sense of direction.



~~2~~

18

You have done your homework well. Now it is my turn.

In the days immediately ahead, I will offer to the American people and to the Congress a program of action which will help bring

balance and vitality to our economy. This program could not ~~have~~ ^{be}

~~been~~ formulated without your participation and without the support

of millions of other Americans who have given ~~me~~ ^{me} their ideas.

~~We~~ ^{all} agree on one vital point: Inflation must be stopped. ~~could~~ ^{could}

This Administration will respond -- not with words but with actions and programs.

As your President, the only special interest I represent is the American people -- housewives struggling with rising grocery prices, workers whose real purchasing power has eroded because of inflation, businessmen trying to control rising costs, families needing new homes but unable to find mortgage money to buy them, those thousands of unemployed who want to

work ~~on~~ [✓] indeed, all 213 million Americans.

the elderly
locked into pensions programs earned
a ~~year~~ ^{years} ago.



I pledge to you that I will not shrink from the hard decisions needed to meet the problems facing us. This is a critical hour in America's history. It requires that Americans ^{once again} rise above ^{petty} partisan or factional interests. ^{very} The future of our political and economic institutions, indeed of our whole way of life, is literally at stake.

^{human} A fundamental fact of history is this: Nations which cannot impose on themselves a disciplined management of their fiscal and monetary affairs are doomed to economic disorder and wide-spread inflation. ^{Such} ~~This~~ discipline is imperative and urgent if we are to achieve a stable and expanding economy.

The American people have repeatedly demonstrated their ability to submerge personal and group interests to the general welfare. When they know the chips are really down, they will do it again.



As part of the demanded discipline, I will send to the Congress

~~by October~~ ~~if not sooner~~, a plan of action to keep Federal outlays

for fiscal year 1975 at or under \$300 billion. Every dollar the

Federal Treasury must borrow is a dollar not available to the

homebuyer or to the businessman trying to expand or to other

citizens who are borrowers.

A coherent national policy on energy is essential for economic

stability. It must encourage more prudent use of ^{available} energy. There

must be an assured ^{future} supply to enable consumers and businesses to

plan in a confident and orderly manner. I will soon propose a ^{very}

national energy program aimed at assuring adequate internal

supplies while reducing our dependence on external sources. *At this very*

minute Secretaries *Kessinger + Ammon* ^{explorations} ~~are~~ ^{working} with their counterparts from 4 major ^{can}

Today, I ~~would~~ announce three actions I have just taken:

industrial nations a coordinated plan to cope with the world
energy crisis ~~in~~ *of economic deterioration.*
** (are exploring of their counterparts)*



First, I have ~~also~~ directed the consolidation by Executive Order of all the Federal Government's economic efforts ^{, domestic, and international,} under a ~~new~~ new Economic Policy Board. The Secretary of the Treasury, William Simon, will serve as chairman of this board and as my principal spokesman on matters of economic policy. I have ~~also~~ appointed Mr. L. William Seidman to serve as my assistant for ^{the coordination and implementation of} economic affairs as well as Executive Director of the new Economic Policy Board.

In addition to Secretary Simon and Mr. Seidman, I have appointed as members of this board these Cabinet officers:

Secretary of State Henry Kissinger; Secretary of the Interior Rogers C.B. Morton; Secretary of Agriculture Earl Butz; Secretary of Commerce Frederick Dent; Secretary of Labor Peter Brennan; Secretary of Health, Education, and Welfare Caspar Weinberger; Secretary of Housing and Urban



(insert A) (p 6)

whose counsel and recommendations
will ~~be given~~ ~~ought~~ ~~and~~ not only be ~~ought~~ but given to
me ~~man-to-man~~ ~~directly~~ and face-to-face.

SIMILAR REACTIONS FROM OTHER NATIONS.

ANDERSON TOLD NEWSMEN "THIS IS A PRIVATE MEETING LIKE THE RECENT ONE IN FRANCE." HE SAID NO COMMUNIQUE WOULD BE ISSUED AT THE END OF THE MEETING.

JAPANESE FOREIGN MINISTER TOSHIO KIMURA, WHO WAS INVITED TO THE CAMP DAVID MEETING, TOLD NEWSMEN FRIDAY THAT "THE WORLD IS ABOUT TO ENTER A NEW STAGE ON THE ECONOMIC SCENE. IT IS IMPORTANT THAT THE UNITED STATES AND JAPAN MUST COOPERATE TOWARD THE CONSTRUCTION OF A NEW ECONOMIC ORDER AND AVOID A CONFRONTATION AT ALL COSTS."

UPI 09-28 08:33 AED

Development James Lynn; and Secretary of Transportation

Claude Brinegar.

In addition, membership includes the Director of the Office of Management and Budget, Roy Ash; the Chairman of the Council of Economic Advisers, Alan Greenspan; and the Executive Director of the Council on International Economic Policy, William Eberle. Dr. Arthur Burns, Chairman of the Board of Governors of the Federal Reserve System will attend meetings of this board, which will start to work immediately.

Second, I have established by Executive Order a White House Labor-Management Committee ^{insert A} with which I will consult personally.

Eight labor leaders and eight business executives ~~will~~ comprise

its membership. The objective of this committee is ~~to~~ not only ^{to}

serve as advise^r to me on major economic policies but to help assure



effective collective bargaining, promote sound wage and price policies, develop higher standards of living, boost productivity and establish more effective manpower policies.

a dedicated public servant and
Dr. John C. Dunlop, professor of economics at Harvard,

has agreed to serve as coordinator of this committee.

Representing labor on the committee will be President George Meany of the AFL-CIO; Secretary-Treasurer Lane Kirkland of the AFL-CIO; President I. W. Abel of the United Steelworkers of America; President Murray H. Finley of the Amalgamated Clothing Workers of America; President Paul Hall of the Seafarers International Union of North America; President Frank E. Fitzsimmons of the Teamsters International Union; President Leonard Woodcock of the United Auto Workers; and President Arnold Miller of the United Mine Workers.



on television and on all the other Americans across this vast land who hear or read my words, to join me in a great effort -- to become Inflation Fighters and Energy Savers.

I know that all across our country the question everyone asks is "What can I do to help?"

I'll tell you how we can start. *Right now, make up.*
~~Right now, write down a~~

a list of 10 ways you can save energy and fight inflation.

Little things that have become habits but don't really affect your health and happiness.

Exchange your family's list with your neighbors and send me a copy. Some of the best ideas come from your home rather than from the White House. The success or failure of our fight against inflation rests with every *individual* American.

Our country is above all a Union, and you and I can make it a more perfect Union as our fathers did.



Inflation strikes society unevenly. Government must concern itself with those on whom this burden falls excessively. For instance, we must provide productive work for those without jobs. We must adjust our tax system to encourage savings, stimulate productivity, discourage excessive debt, and to correct inflation-caused inequities. *And we will x*

May I ^{*add*} ~~say~~ a special word to our distinguished foreign guests. What you heard here yesterday and today may remind you of the current problems of your own country's economy, for the problems of people are not very different wherever they live and work.

~~Americans welcome you
cooperation and contributions~~



To whole world

We all suffer from inflation. I assure you ~~that~~ the United

States is seeking ~~honest~~ *honest* solutions that will help, not hinder,

other nations' efforts to advance or restore their economic health. I will

have extensive consultations with *Leaders of* other governments aimed at

strengthening international institutions and to assure that we ~~do~~

never ~~do~~ not again experience world-wide and interacting inflations and

deflations.

— for me and for the Congress

more There are ~~difficult~~ *more* difficult decisions ahead. From the many

alternative policies, we must fashion a coherent and consistent

program. I will present my recommendations to the nation and to

the Congress within the next ten days.



Representing management on the committee will be

John D. Harper of the Aluminum Company of America;

Reginal H. Jones of General Electric; Stephen D. Bechtel, Jr.,

of the Bechtel Group; Richard C. Gerstenberg of General Motors;

Rawleigh Warner, Jr., of the Mobil Oil Company; Walter B.

Wriston of the First National City Bank; Arthur Wood of

Sears, Roebuck and Company, and R. Heath Larry of U.S. Steel.

A third announcement:

The Council on Wage and Price Stability, ~~which was~~ *recently* established *at my request* by Congress, *is another arm I will* use in the fight

on inflation. I have asked Dr. Albert Rees, a distinguished

economist and professor of economics at Princeton, to direct

the council's *work.* ~~activities.~~

But nobody knows better than I do that councils and committees cannot win this war.

The most important weapon in ~~this~~ fight against inflation is

This spirit is no secret weapon. It is the spirit of the American people. I call on each of you in this

room today, but more urgently, on each of you at home watching



Remove all records from the world

[Handwritten scribbles]

Finally, you will understand my two compelling reasons for cancelling all but my most essential appointments and travel plans in order to be here in Washington. I will devote every minute I can to forging the mass of evidence and evaluations generated by this conference into concrete action plans and legislative proposals.

A great leader of this century, in whom the unbeatable willpower of his American heritage combined with English eloquence, rallied his embattled countrymen from almost certain defeat by a blunt promise of Blood, toil, tears and sweat.

I trust we can avoid blood and tears.

But I do offer you plenty of toil and sweat.

And I will roll up my sleeves and work every bit as hard as you do, starting this weekend, until every American is enlisted as an Inflation Fighter and an Energy Saver, and until this job is done.

FOR IMMEDIATE RELEASE

SEPTEMBER 28, 1974

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

ADDRESS OF THE PRESIDENT
AT THE
CONFERENCE ON INFLATION
LIVE ON NATIONWIDE RADIO AND TELEVISION

THE WASHINGTON HILTON

12:37 P.M. EDT

Ladies and gentlemen, **companions** in 24 conferences and my fellow Americans:

Just one personal note, if I might. I just returned from the hospital where I saw Betty as she came from the operating room. Dr. Lukash has assured me that she came through the operation all right.

It has been a difficult 36 hours. Our faith will sustain us and Betty would expect me to be here.

I thank each and every one of you for your contributions to this summit. For most summits, there is no way to go except down. From this summit, we are going to start going up.

This is not the end, but it is the beginning of a battle against inflation and waste which will not end until it is won.

I have vowed and asked all of you to resolve here that we will celebrate our Nation's 200th birthday with our economy healthy and strong, with prosperity as well as peace that brings the solid realities of a great Republic.

Thousands and thousands of dedicated men and women have come together in this series of inflation conferences to map the strategies and the tactics of our all out war against America's domestic enemy number one.

All of you will be the Founding Fathers, if we succeed. If we fail, then certainly we will all hang separately.

MORE

General George Washington's words at the start of our Nation are equally appropriate at this time, and I quote: "Let us raise the standard to which the wise and honest can repair, the rest is in the hands of God."

And God helps those who help themselves. On this principle, Americans in two centuries have astonished the world and time and time again have confounded the pessimists and the cynics who said it couldn't be done.

You have discussed many ideas. You have spoken candidly, and as a result, I, along with other Americans, have gained a far better understanding of our economic problems. Perhaps we have caught glimpses of the political problems, and we understand those, but even in our controversies, we have all developed a super sense of direction.

You have done your homework well; now it is my turn.

In the days immediately ahead, I will offer to the American people and to the Congress a program of action which will help bring balance and vitality to our economy. This program could not be formulated without your participation and without the support of millions of other Americans who have given us their ideas.

I think all agree on one point: Inflation must be stopped. But this Administration will respond not with words but with action and with programs. As your President, the only special interest I have, the only special interest I represent is the American people -- housewives struggling with rising grocery prices, workers whose real purchasing power has eroded because of inflation, businessmen trying to control rising costs, families needing new homes, but unable to find mortgage money to buy them, those thousands of unemployed who want work, the elderly locked into pension programs earned years ago, indeed all 213 million Americans.

I pledge to you that I will not shrink from the hard decisions needed to meet the problems facing each and every one of us. This is a critical hour in America's history. It requires that Americans once again rise above petty partisanship or factual interests in any segment of our society. The very future of our political and economic institutions, indeed our whole way of life, is literally at stake.

MORE

A fundamental fact of human history is precisely this: Nations which cannot impose upon themselves a disciplined management of their fiscal and monetary affairs are doomed to economic disorder and widespread inflation.

Such discipline is imperative. It is urgent if we are to achieve a stable and expanding economy. The American people have repeatedly demonstrated their ability to submerge personal and group interests to the general welfare. When they know the chips are down, they are really down--and they have done it in the past and they will do it again--they will respond as they always have.

As part of the demanded discipline, I will send to the Congress a plan of action to keep Federal outlays for fiscal year 1975 at or under \$300 million. Every dollar the Federal Treasury must borrow is a dollar not available to the home buyer or the businessman trying to expand or other citizens who may be borrowers for good and sufficient reasons.

A coherent national policy on energy is essential for economic stability. It must encourage prudent use of available energy. There must be an assured future energy supply to enable consumers and businessmen to plan in a confident and orderly way.

I will soon propose a national energy program aimed at assuring adequate internal supplies while reducing dependence on external sources.

At this very minute, Secretaries Kissinger and Simon are exploring with their counterparts from four major industrial nations a coordinated plan to cope with a world energy crisis and world economic dislocations.

Today, I can announce three actions I have just taken:

First, I have directed the consolidation by Executive Order of all the Federal Government economic efforts, domestic and international, under a new Economic Policy Board. The Secretary of the Treasury, Bill Simon, will serve as chairman of this board and as my principal spokesman on matters of economic policy.

I have appointed Bill Seidman, who has done so well with this conference, to serve as my assistant for the coordination and the implementation of economic affairs and also as Executive Director of the new Economic Policy Board.

MORE

In addition to Secretary Simon and Bill Seidman, I have appointed eight Cabinet officers as members of this board. They include Henry Kissinger, **Roge** Morton, Earl Butz, Fred Dent, Pete Brennan, Caspar Weinberger, Jim Lynn and Claude Brinegar.

In addition, membership includes the Director of the Office of Management and Budget, Roy Ash; the Chairman of the Council of Economic Advisers, Alan Greenspan, and the Executive Director of the Council on International Economic Policy, William Eberle.

Dr. Arthur Burns, Chairman of the Board of Governors of the Federal Reserve System, will attend meetings of this board, which will start work immediately.

MORE

Second, I have established by Executive Order a White House Labor-Management Committee whose counsel and recommendations will not only be sought by me but given to me man-to-man and face-to-face.

Eight distinguished labor leaders and eight distinguished business executives comprise its membership. The objective of this committee is not only to serve as advisers to me on major economic policies, but to help assure effective collective bargaining, promote sound wage and price policies, develop higher standards of living, boost productivity and establish more effective manpower policies.

Dr. John T. Dunlop, a dedicated public servant and professor of economics at Harvard University, has agreed, and we are very thankful, to serve as coordinator of this committee.

Representing labor on this committee will be President George Meany of the AFL-CIO, Secretary-Treasurer Lane Kirkland of the AFL-CIO, President I. W. Abel of the United Steel Workers of America, President Murray H. Finley of the Amalgamated Clothing Workers of America, President Paul Hall of the Seafarers International Union of North America, President Frank Fitzsimmons of the Teamsters International Union, and President Leonard Woodcock of the United Auto Workers and President Arnold Miller of the United Mine Workers.

Representing management on the committee will be John Harper of the Aluminum Company of America, Reginald H. Jones of General Electric, Steve Bechtel of the Bechtel group, Richard Gerstenberg of General Motors, Rawleigh Warner of the Mobil Oil Company, Walter Wriston of the First National City Bank, Arthur Wood of Sears, Roebuck and Company, and R. Heath Larry of U.S. Steel.

I am proud to announce this group of 16 distinguished, outstanding Americans.

A third announcement: The Council on Wage and Price Stability recently established by Congress at my request and with my deep appreciation is another arm I will use in the fight on inflation. I have asked Dr. Albert Rees, a distinguished economist and professor of economics at Princeton, to direct the Council's work.

MORE

We are fortunate to have Dr. Rees with us.

And may I express to all the people, those that I have mentioned and others that will help, their willingness to step in and help the country and 213 million people. But nobody knows better than I that councils and committees cannot win this war.

The most important weapon in the fight against inflation is the spirit of the American people. This spirit is no secret weapon. It is renowned all over the world, and I call on each of you in this room, but more urgently, on each of you at home watching on television, and all the other Americans across this vast land who either hear or read my words, I urge them as I know they will, to join with all of us in a great effort to become inflation fighters and energy savers.

I know all across our country the question everyone asks me is, "What can I do to help?"

I will tell you how we can start. Right now, make a list of some ten ways you can save energy and you can fight inflation. Little things that become habits -- they do become habits. They don't really affect in some instances your health and happiness. They are habits that you can abandon if we are all faced with this emergency.

I suggest that each person exchange your family's list with your neighbors and I urge you and ask you to send me a copy.

Some of the best ideas come from your home rather than from the White House. The success or failure of our fight against inflation rests with every individual American. Our country is above all a union. And you and I can make it a more perfect union as our fathers did.

One of our delegates yesterday, Sylvia Porter, the well-known newspaper columnist on economics, has kindly consented to help me get this voluntary citizens' program organized and underway, and I thank you very, very much, Sylvia.

It was dramatically pointed out here yesterday that inflation strikes our society very unevenly. Government must concern itself with those on whom the burden falls excessively.

MORE

For instance, we must provide productive work for those without jobs. We must adjust our tax system to encourage savings, stimulate productivity, discourage excessive debt, and to correct inflation-caused inequities.

And I can assure the American people that the Executive Branch and the Congress working together will effectuate and implement such a program.

May I add a very special word to our distinguished foreign guests. What you heard here yesterday and today may remind each of you of the current problems of your own country's economy. The problems of people are not very different in these days wherever they live and work.

The whole world suffers from inflation.

I assure you the United States is seeking honest solutions that will help, not hinder, other nations' efforts to advance or restore their economic health.

I will have extensive consultations with leaders of other governments aimed at strengthening international institutions and to assure that we never again experience world-wide and interacting inflations and deflations.

There are more difficult decisions ahead for me and for the Congress. From the many alternative policies which we have heard here given in good faith, listened to in good faith, we can and will fashion a coherent and consistent program.

I will present my recommendations to the nation and to the Congress within the next ten days.

Finally, you will understand my two compelling reasons for cancelling all but my most essential appointments and travel plans in order to be here in Washington. I will devote every minute that I can to forging the mass of evidence and the evaluations generated by this conference into concrete action, into concrete plans and legislative proposals.

A great leader of this country -- of this century, I should say -- in whom the unbeatable willpower of his American heritage, combined with English eloquence, rallied his embattled countrymen from almost certain defeat by a blunt promise of blood, toil, tears and sweat.

MORE

I trust we can avoid blood and tears and we will.

But I do offer you plenty of toil and plenty of sweat.

I will roll up my sleeves and work every bit as hard as you do, starting this week-end, until every American is enlisted as an inflation fighter and as an energy saver until this job is done.

Thank you and God bless you.

END (12:57 P.M. EDT)