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CONFERENCE ON INFLATION
WEDNESDAY, SEPTEMBER 11, 1974

GOOD MORNING. I AM PLEASED TO JOIN THIS MORNING WITH SO
MANY DISTINGUISHED MEMBERS OF THE CONGRESS, BOTH DEMOCRATS AND
REPUBLICAN, AND THE OUTSTANDING LEADERS OF AMERICA'S GREAT
LABOR UNIONS, AND GUESTS.

WE HAVE GATHERED HERE TODAY TO DEAL WITH INFLATION, AN
IMMEDIATE DANGER THREATENING EVERY AMERICAN.

THE FUTURE OF LABOR UNION MEMBERS AND ALL OTHER AMERICANS
DEPENDS UPON WHAT WE CAN ACHIEVE TOGETHER IN THE CAMPAIGN AGAINST
INFLATION.

I WANT TO THANK YOU ALL FOR PARTICIPATING TODAY IN THIS
IMPORTANT MEETING. SOME OF YOU HAVE GENEROUSLY ACCEPTED AN
ADDITIONAL BURDEN BY AGREEING TO PARTICIPATE IN OTHER SUCH MEETINGS.
BY SO DOING, YOU INDICATE THAT YOU SHARE WITH ME THE CONVICTION
THAT INFLATION IS THE MOST CRITICAL NATIONAL ISSUE OF THE DAY.

I DEEPLY APPRECIATE YOUR WILLINGNESS TO WORK TOGETHER WITH ME ON
A PROBLEM THAT TRANSCENDS AMERICA'S MANY SPECIAL INTERESTS --
WHETHER REPUBLICAN OR DEMOCRATIC, LABOR OR BUSINESS, URBAN OR
RURAL. IT ALSO GOES BEYOND ANY DIVISIONS 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 HAS FACED OUR NATION. WITHOUT THE PRODUCTIVE DEDICATION OF AMERICAN LABOR, WORLD WAR TWO MIGHT HAVE ENDED DIFFERENTLY. LABOR BUILT AMERICA. LABOR IS AMERICA. TOGETHER, WE MUST NOW PRESERVE AND ENHANCE THE ECONOMIC BASE OF OUR EXISTENCE FROM EVERYBODY'S ENEMY -- THE SCOURGE OF INFLATION.

WE NEED YOUR ADVICE AND GUIDANCE ON THIS ISSUE OF
SUCH OVERWHELMING CONCERN TO ALL YOUR MEMBERS. I WANT YOUR
IDEAS ON STEPS WE CAN TAKE TO 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 27TH AND 28TH. SINCE
THIS IS ONLY A ONE DAY SESSION, LET US GET DIRECTLY TO THE POINT.
LET US DISPENSE WITH FORMALITY. LET US BE FRANK. LET US ALSO TRY
TO KEEP OUR COMMENTS BRIEF AND ON TARGET.

I WILL CERTAINLY WELCOME, HOWEVER, ANY DETAILED STATEMENT ANYONE WISHES TO SUBMIT IN THE FORM OF WRITTEN PROPOSALS. PLEASE SUBMIT THESE DIRECTLY TO ME, IF YOU WILL, WITHIN THE NEXT FEW DAYS. THAT WILL GIVE US ADEQUATE TIME TO CONSIDER THEM BEFORE THE CONCLUSION OF THE DESIGNATED TIME FRAME.

YOU ARE AWARE OF THE SEVERITY OF INFLATION. ALTHOUGH
INFLATION IS UNFORTUNATELY NO NOVELTY IN OUR ECONOMIC HISTORY,
ITS 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 INFLATION
IN HUMAN TERMS. COLD AND IMPERSONAL NUMBERS AND PERCENTAGES
CANNOT DESCRIBE THE IMPACT ON PEOPLE'S LIVES. WHILE EVERYONE
IS HIT BY INFLATION, SOME ARE STRUCK HARDER THAN OTHERS. I AM
THINKING OF FAMILIES ON LOW AND MODERATE INCOMES, OF OLDER AMERICANS
WHO ARE STRUGGLING ON MODEST PENSIONS, AND OUR YOUNG PEOPLE WHOSE
INITIAL EXPERIENCE WITH THE EMPLOYMENT SCENE MAY NOT GENERATE
REAL CONFIDENCE IN OUR ECONOMIC SYSTEM.

THESE ARE HUMAN PROBLEMS WHICH MUST GUIDE THE ACTIONS OF
GOVERNMENT AS WELL AS THE DECISIONS OF THE PRIVATE SECTOR.
GOVERNMENT HAS A PARTICULAR OBLIGATION TO ACT RESPONSIBLY. WE WILL
MAKE A CONCERTED EFFORT TO CUT THE BUDGET AND REDUCE OUR EXPENDITURES.

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 OVER-
HEATED ECONOMY FROM COOLING OFF TOO FAST. WE MUST AVOID A DAMAGING
RECESSION.

WE ARE NOW MAKING A COOPERATIVE EFFORT IN RESPONSE TO THE INITIATIVE OF THE DISTINGUISHED MAJORITY LEADER OF THE SENATE AND OTHER MEMBERS OF THE CONGRESS ON A BI-PARTISAN BASIS. THE LEGISLATIVE AND EXECUTIVE BRANCHES ARE WORKING TOGETHER 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 CLOSELY.

THIS ADMINISTRATION 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 COSTS.

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 AVAILABLE
TOOLS AND DOLLARS.

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 DISPERSE
\$65 MILLION TO THOSE COMMUNITIES IN WHICH UNEMPLOYMENT IS
HIGHEST. BY THE END OF THE MONTH HE WILL MAKE AVAILABLE ANOTHER
\$350 MILLION UNDER C.E.T.A. TITLE II. THIS \$415 MILLION WILL
FINANCE SOME 85,000 PUBLIC SECTOR JOBS IN STATE AND LOCAL GOVERNMENTS.

ADDED TO THE ALMOST \$550 MILLION OBLIGATED FOR PUBLIC SERVICE EMPLOYMENT IN JUNE FROM THE FISCAL YEAR 1974 APPROPRIATION, AND ABOUT \$50 MILLION IN PRIME SPONSORSHIP, UNDER THE C.E.T.A. TITLE I HAVE ALLOCATED FOR THIS PURPOSE, CURRENTLY AVAILABLE RESOURCES WILL PROVIDE 170,000 PUBLIC SERVICE JOBS THIS COMING WINTER. THE EFFECT OF THESE ACTIONS 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 LEADERS OF OUR LABOR UNIONS, AND TO THE CAPTAINS OF
INDUSTRY, I MAKE A SINCERE APPEAL FOR RESTRAINT. AND IT MUST BE
A SELF-IMPOSED RESTRAINT. AS I HAVE SAID BEFORE, THERE WILL BE
NO CONTROLS IMPOSED ON WAGES AND PRICES. 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 WE REMAIN A NATION UNITED.

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