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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AT THE
WHITE HOUSE CONFERENCE
ON
DOMESTIC AND ECONOMIC AFFAIRS
THE MEMORIAL COLISEUM

5:10 P.M. PST

Thank you very much. Thank you very, very much Governor McCall, Mr. Johnson, Mr. Killian, Secretary of the Treasury Simon, Secretary of HUD Jim Lynn, distinguished guests, ladies and gentlemen.

Let me express my deep gratitude for the very warm welcome that Tom McCall has extended on this occasion. If my memory is correct, Governor, you were the first Governor that I saw in the first State that I visited back about a year ago when I was nominated Vice President of the United States. The warmth of the reception then is only duplicated by the kindness that you have shown me on this occasion.

I am deeply grateful. I am especially pleased to be here to participate in one of Bill Baroody's programs, the White House Conference on Domestic and Economic Affairs, where business, labor, consumer, environmental organizations, have joined in sponsoring this meeting to improve the lines of communication between non-governmental organizations and the White House itself.

You can generate a new climate of confidence and understanding on national issues of greatest concern to us individually as well as collectively.

This is my first participation in this nationwide series of meetings that can have, as I see it, a very vital impact on America's response to the state of our economy, housing, environment, and general domestic affairs. And the fact that the Secretary of the Treasury and the Secretary of HUD are here, I think portrays vividly the importance that we consider meetings of this sort.

In this context, I would like to discuss the question of confidence in our political system and our ability as a Nation to cope with this very serious issue.

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The question of credibility is often raised. A mood of some cynicism exists in certain quarters. There are even those who say that my Administration's openness is just another cover-up. The question is asked: Is everything phony? Is everything cynical in Government today?

I categorically reject any such conclusion. But I would like to offer some thoughts on why there is some doubt and perhaps some division.

Confidence in America's institutions have been deteriorating since the early 1960's. There were unfortunately assassinations, upheavals in great cities and in school systems throughout our country, riots and terrorism, crime, drug abuse, pollution, the Vietnam War, the Watergate affair with the first Presidential resignation in America's history, the energy shortage, rising inflation, and other almost unbelievable blows to America's self image.

This chain of tragic events affected our institutions and actually our way of life. It did not start with the present inflationary problem nor with Watergate nor even the tragic murder of President Kennedy. America and the world are going through a hurricane of very rapid change -- technological, economical, social and political.

Americans put men on the moon, but have yet to cope with the rapidly changing life on this globe. Other industrial nations are also, in varying degree, often without our resilience and our resources, going through precisely the same experience.

That explains my participation in this meeting today. I came to talk with you about how Americans can mobilize to regenerate our institutions beginning with the economy.

I am speaking now to Republicans, Democrats, Independents, to labor, to management, and to every segment of our great society. We are all in this problem together, and that is why I consider it so very vital, so very important to be in Portland on this occasion.

I offered approximately a month ago a comprehensive program to mobilize America against inflation. I concede and admit that we are not in what one would call a traditional problem of inflation with an accelerating rate of cost of living problems.

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We are faced with inflation on the one hand and some softness in our economy on the other and this rather finely-tuned program that I submitted was aimed at meeting this problem, the dual difficulty -- one of a softening of the economy, and the devastation of inflation itself.

This conference, however, as I understand it, was generated to take an honest look at the problems of inflation. A 31-point program that I submitted to the Congress and to the American people, as I indicated a moment ago, was finely tuned, a comprehensive plan aimed at the dual difficulties we face.

I am pleased to report to you that a massive voluntary citizens' mobilization is gearing up. We in the White House have received roughly 150,000 requests for these WIN buttons and any other information and helpful hints that we can give to people all throughout the United States.

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New steps, I think you recognize, have been taken to cope with the energy situation and all of our actions seek to avoid an unfair burden on those who can least afford the tragedy of inflation or the tragedy of a softening economy.

It is my judgment that Americans are rallying to whip inflation. They can help -- and have been helping -- by demanding action on legislative proposals pending before the Congress. They can press for State and local initiative. They can innovate voluntary programs at the local level.

America, if we look back over the history, does not require dogmatic laws to control every action that we take whether it is action at home, in our schools, in our businesses, in our labor organizations, in our churches.

My policies, as I have presented them, I think are firm and good and sound, but any President has to be cognizant of the need, if circumstances change, to take a new look.

I am committed to no rigid economic formula, but the basic American philosophy that made our economy great I am totally committed to.

As I look back over the history during my lifetime, America is built primarily on mutual trust. It is governed by popular consent and consensus. Federal, State and local units of government responding to the will of the people will whip inflation.

I am perfectly confident that industries, businesses and great trade unions will whip inflation. I also have an abiding faith that consumer and environmental groups will whip inflation.

Let us begin the dialogue that was referred to by Governor McCall. Let's build that dialogue that can establish this confidence between environmentalists and energy and industry, between consumers and between business, between labor and management, and between 213 million Americans and their Government, at the Federal, State or local level.

Let's give dialogue a chance for a change. Let's continue to challenge but also continue in the sincere good will on both sides of every issue.

Institutions, as I have looked at it, are nothing more than people. Let us never lose faith in humanity, the individuals that we meet, regardless of the circumstances. Let us never lose faith in that one-to-one confrontation, and of course, let's not lose faith in ourselves.

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Meetings of this sort are excellent forms to generate confidence. Yet, the time has come for action as well as for talk. Accordingly, the function of leadership belongs to those placed in responsibility.

As President, I accept my obligation and I call upon every Member of the Congress, Governors, Mayors, and all others concerned with government, and the leaders of every private sector in America, including all of you represented here. We, individually and collectively, must provide that leadership. A free government, if we look over history, cannot cope with inflation or energy shortages or any other problems without the consent and the total cooperation of those governed.

Too many people have been saying what the other guy should do to whip inflation. We hear that all the time. We hear business complaining about labor and labor complaining about business. We hear about other segments complaining about their adversaries, never reflecting as to what their own responsibility might be.

Some tell us what the oil companies should do. Others would instruct labor on its responsibilities. Yet, others have all kinds of sacrifices to suggest. Almost inevitably, it is not how they can sacrifice.

Our great Northwest -- and I am pleased to be here again -- is aware that inflation has dried up the supply of mortgage credit and sent housing into a tail-spin. Now, Jim Lynn over here is going to solve all of those problems for you, along with the money provided by Bill Simon, but it is a lot broader and a lot deeper subject than what those two fine Secretaries in the Cabinet can do. And it has been inflation that hit consumer confidence and put the brakes on consumer spending harder than at any time since World War II.

I assure the people of the great Northwest that I do not accept the dismal projection that pollution is the inevitable price of prosperity, nor that we must compromise the environment to gain economic growth in the future.

We cannot enrich our lives by impoverishing our lands. We can raise both the standard of living on the one hand, and the quality of life on the other. The worst inflationary toll of all is the most subtle -- the erosion of confidence in the future, the loss of faith in the American society and our Government.

Indeed, this disenchantment seems to grow at the same pace that prices increase. That is why fighting inflation is my priority as President of this great country.

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Americans do have the will to preserve our economy and our institutions. The central, absolutely crucial need my program underscores is to control Government spending on the one hand and to finance any new outlays with new taxes. Government simply can no longer go on spending beyond its means.

Inflation, as I have said so many times -- and the more I say it the more I believe it -- is Public Enemy Number One. And all the polls seem to conclude that. The latest I saw indicated on a nationwide basis that among all of the problems, all of the issues, regardless of your position in life, 83 percent of the Americans selected inflation as that which was of most concern to them.

Obviously under those circumstances the fight against inflation is a non-partisan challenge. It is everyone's fight.

If I were to take the easy route of additional pump priming and deficit spending as the economy cools off this winter, it would really cause trouble. We could see the current inflation rate -- and I speak very categorically -- the current inflation rate, if we don't do a little sacrificing and belt tightening, that rate could double by 1976.

That is not a very happy prospect. So it ought to encourage us to make the big battle now in order not to have that problem then.

America, as I have seen it, remains a model for the rest of the world. Later this month I am visiting the Far East, going first to Japan, then to South Korea, and then finally to Vladivostok: in the USSR, the latter, of course, to move forward, laying additional stepping stones for the culmination of what I hope and I believe is an agreement in strategic arms limitations beyond the present.

But as I visit these three vital areas of the world, I will seek to cement **relationships** essential for world economic stability as well as SALT II.

It is obvious as we read -- and both Secretary Simon and Secretary Lynn have been abroad -- we know that inflation crosses borders and somehow leapfrogs oceans. And if I can be helpful by going to the other side of the world on this dual mission -- and I think I can be helpful -- that is part of my obligation. As President, I am convinced that this Nation -- yours and mine -- can show the world that Americans do retain confidence in our system. We can conserve; we can stop wasting; we can expand our production base while preserving our national heritage.

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We can become more efficient, more productive and pay for what we spend in our Government as we do.

Now, some cynics and skeptics freely predict the end of America -- that great country that we know and we love. I feel just the opposite. I think they are very wrong. I intend to prove they are wrong because I am totally confident in the dedication of this group and for many others throughout America.

As Abraham Lincoln once put it, ~~this Nation is~~ still "the last, best hope of earth." And a new and stronger United States will grow from the disillusionment of the past. Indeed, the ordeal we have gone through since the early 1960s may serve, as I see it, like a national purge, clearing our system, renewing our energies, and creating a new and more realistic American ethic and perhaps an American lifestyle.

The bountiful resources of this blessed land are available and you in Oregon are about as blessed as any of the 50 States, and you should be happy and proud that you are so blessed.

Let us, on the overall, however, devise a future based on conservation as well as consumption. The truth is you look at the statistics, and I get them weekly -- I used to from Bill Simon, now from Rog Morton -- we have run short of energy but we are going to do something about it as we conserve on the one hand, and build a productive base on the other.

We have run short of mortgage credit -- and don't blame Jim Lynn altogether -- and we have run short of a lot of other things. But we have not, as I see it, run short of American know-how or the American spirit of fairplay, or of American forgiveness, or American self-respect, or American pride, nor will we ever.

A great national test will be imposed in the days and the months ahead. But that ought to be a challenge. That ought to appeal to us. We ought to respond to it. If we do, we will meet the test, and I pledge all of my energy to a free society with a strong economy, a sound environment, sufficient energy, and a secure and inspiring future.

And I ask each and every one of you here, and those who follow in other meetings, to join with me in that wonderful quest.

Thank you very much.

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(AT 5:37 P.M. PST)