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CONFERENCE ON INFLATION  
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.

THOUSANDS OF DEDICATED MEN AND WOMEN HAVE COME  
TOGETHER IN THIS SERIES OF INFLATION CONFERENCES TO MAP  
THE STRATEGIES AND TACTICS OF OUR ALL-OUT WAR AGAINST AMERICA'S  
DOMESTIC ENEMY NO. 1. ALL OF YOU WILL BE THE NEW FOUNDING  
FATHERS -- IF WE SUCCEED.

IF WE FAIL, THEN CERTAINLY WE WILL ALL HANG SEPARATELY

GENERAL GEORGE WASHINGTON'S WORDS AT THE START OF  
OUR 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. ON THIS  
PRINCIPLE, AMERICANS IN TWO CENTURIES HAVE ASTONISHED THE  
WORLD AND TIME AND TIME AGAIN HAVE CONFOUNDED THE PESSIMISTS  
AND THE CUNICS 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.

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 ME THEIR IDEAS.

ALL AGREE ON ONE VITAL POINT: INFLATION MUST BE

STOPPED. ~~GOING~~

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, 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 US. THIS IS  
A CRITICAL HOUR IN AMERICA'S HISTORY. IT REQUIRES THAT  
AMERICANS ONCE AGAIN RISE ABOVE PETTY PARTISAN OR FACTIONAL  
INTERESTS. THE VERY FUTURE OF OUR POLITICAL AND ECONOMIC  
INSTITUTIONS, INDEED OF OUR WHOLE WAY OF LIFE, IS LITERALLY  
AT STAKE.

A FUNDAMENTAL FACT OF HUMAN 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

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.

(12)

AS PART OF THE DEMANDED DISCIPLINE, I WILL SEND TO THE

~~DEPARTMENT OF THE TREASURY~~

CONGRESS / 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

HOME BUYER, 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 AVAIL-  
ABLE ENERGY. THERE MUST BE AN ASSURED FUTURE <sup>ENERGY</sup>/SUPPLY TO ENABLE  
CONSUMERS AND BUS INESSES TO PLAN IN A CONFIDENT AND ORDERLY MANNER.

(14)

I WILL VERY 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 THE  
WORLD ENERGY CRISIS AND ECONOMIC ~~DISLOCATIONS~~ *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'S ECONOMIC EFFORTS,  
DOMESTIC AND INTERNATIONAL, 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 MATTER  
OF ECONOMIC POLICY. I HAVE APPOINTED MR. L. WILLIAM SEIDMAN  
TO SERVE AS MY ASSISTANT FOR THE COORDINATION AND IMPLEMENTATION  
AND ALSO  
OF ECONOMIC AFFAIRS ~~AS WELL~~ AS EXECUTIVE DIRECTOR OF THE NEW  
ECONOMIC POLICY BOARD.



IN ADDITION TO SECRETARY SIMON AND MR. SEIDMAN,

*EIGHT*

I HAVE APPOINTED ~~THESE~~ CABINET OFFICERS AS MEMBERS OF THIS BOARD.

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.

SECOND, I HAVE ESTABLISHED BY EXECUTIVE ORDER  
A WHITE HOUSE LABOR - MANAGEMENT COMMITTEE WHOSE COUNSEL AND  
RECOMMENDATIONS WILL NOT ONLY BE SOUGHT BUT GIVEN TO ME  
MAN-TO-MAN AND FACE-TO-FACE.

EIGHT LABOR LEADERS AND EIGHT BUSINESS EXECUTIVES

COMPROMISE 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 HAS AGREED TO SERVE  
AS COORDINATOR OF THIS COMMITTEE.

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.

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 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;

REGINALD<sup>D</sup> H. JONES OF GENERAL ELECTRIC;

STEPHEN D. BECHTEL, JR., OF THE BECHTEL GROUP;

RICHARD C. GERSTENBERG OF GENERAL MOTORS;

RAWLEIGH WARNER, JR., OF THE MOBILE 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.

(23)

A THIRD ANNOUNCEMENT:

THE COUNCIL ON WAGE AND PRICE STABILITY, RECENTLY  
ESTABLISHED BY CONGRESS AT MY REQUEST, 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.

BUT NOBODY KNOWS BETTER THAN I DO THAT COUNCILS  
AND COMMITTEES CANNOT WIN THIS WAR.



23A

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.

I CALL ON EACH OF YOU IN THIS ROOM TODAY, BUT MORE URGENTLY, ON

EACH OF YOU AT HOME WATCHING 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.

-24-

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 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.

MAY I ADD 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.

THE WHOLE WORLD SUFFERS FROM INFLATION. I ASSURE  
YOU THE UNITED STATES IS SEEKING HONEST SOLUTIONS THAT WILL  
HELP, NOT HINDER, OTHER NATION'S 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.

THE WHOLE WORLD SUFFERS FROM INFLATION. I ASSURE  
YOU THE UNITED STATES IS SEEKING HONEST SOLUTIONS THAT WILL  
HELP, NOT HINDER, OTHER NATION'S 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,  
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.



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  
WILL POWER 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.

-33-

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.

end

~~copy~~

ONE OF OUR DELEGATES,  
SYLVIA PORTER,

THE WELL-KNOWN  
NEWSPAPER COLUMNIST  
ON ECONOMICS, HAS  
KINDLY ~~AGI~~ CONSENTED  
TO HELP ME GET  
THIS VOLUNTARY  
CITIZEN'S PROGRAM  
ORGANIZED

# THE WHITE HOUSE

WASHINGTON

I have nothing to offer but blood, toil, tears  
and sweat.

Winston Churchill - First statement as Prime  
Minister, House of Commons, May 13, 1940

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.

# # #



## Labor Members

### AFL-CIO

George Meany, President

Lane Kirkland, Secretary-Treasurer

I. W. Abel, President  
United Steelworkers of America

Murray H. Finley, President  
Amalgamated Clothing Workers of America

Paul Hall, President  
Seafarers International Union of North America

### Teamsters International Union

Frank E. Fitzsimmons, President

### United Auto Workers

Leonard Woodcock, President

### United Mine Workers

Arnold Miller, President

### Management Members

|                         |                             |
|-------------------------|-----------------------------|
| Stephen D. Bechtel, Jr. | The Bechtel Group           |
| Richard C. Gerstenberg  | General Motors Corporation  |
| John D. Harper          | Aluminum Company of America |
| Reginald H. Jones       | General Electric Co.        |
| R. Heath Larry          | U. S. Steel Corporation     |
| Rawleigh Warner, Jr.    | Mobil Oil Company           |
| Arthur M. Wood          | Sears, Roebuck & Company    |
| Walter B. Wriston       | First National City Bank    |



THE WHITE HOUSE

WASHINGTON

August 17, 1974

MEMORANDUM FOR:

THE PRESIDENT

FROM:

COUNSELLOR RUSH  
L. WM. SEIDMAN

SUBJECT:

Summit Conference on Inflation

This memorandum sets out for your approval a basic plan for the summit conference on the economy that you agreed to preside over in your August 12th speech to the Congress.

Goals to be Achieved From the Summit Conference

Goals which should guide the planning and conduct of the Economic Summit Conference are:

1. The Summit should clarify the realities of the nation's present economic condition.
2. The Summit must seek to develop a consensus on the basic policies which should be adopted to deal with the problem of inflation. This consensus could take the form either of specific agreements adopted as conference positions or of a statement of a comprehensive Administration position.
3. Consensus on the need for fiscal restraint through control of the federal budget is the first action to be sought. Also a dialogue on monetary policy will seek agreed objectives in this area. Consensus also should emerge on the need for responsible private wage and price behavior and a national effort to increase productivity.
4. New and realistic approaches to combating inflation will be sought and explored. No attempt will be made to reach agreements on these new approaches at this time.

5. Areas of hardship needing immediate action will be determined for recommended action.

#### Steering Committee

A steering committee of perhaps eight people will be formed from Executive and Legislative Branches and will be designated to provide overall direction for the meeting.

#### Format Preparation

A series of presummit conferences involving various sectors of the economy will be held. Both legislative and congressional leaders will attend and each will be chaired by a Cabinet officer (condensed timetable at Tab A).

Each meeting will receive an economic briefing from the CEA on current economic situation and policy. Attendees will be asked to come prepared to present and discuss their view on how to control inflation. An attempt will be made to focus on fundamentals -- fiscal and monetary policy. A part of the meeting may be public.

A special group of professional nongovernmental economists will be formed under the direction of CEA. They will meet with the President and then prepare presentations for the summit conference.

#### Substantive Preparation

A very brief statement on the present economic situation and outlook and current economic policy will be developed by the Council of Economic Advisers to be issued to those participating in the Summit Conference on Inflation. To help the Administration provide leadership in framing fiscal policy as the key issue, OMB has outlined different options for achieving desired budget reductions. It has also prepared materials focussing on uncontrollable and controllable budget items, available programs for public service jobs, and the costs of additional public employment. In addition, you will want to encourage Cabinet officers to seek a consensus as to monetary policy, wage and price restraint, and increased productivity in each meeting associated with the summit.

#### First Summit Conference

The series of meetings between the Administration, the Congress, and representatives of the private sector would culminate in a two-day

Summit conference prior to October. It will be open to the public. This meeting, presided over by the President, would include participants from each of the groups invited to the preliminary meetings and would hopefully result in a public expression of commitment and willingness to accept the necessary sacrifices.

#### Possible Second Summit Conference

If the first summit is considered successful, a second series of meetings, similar in composition to the first ones, might be held. Other less fundamental steps designed to help combat inflation would be emphasized. A second summit conference in late November would focus on special legislation and new ideas for use in the Administration position to be a part of the State of the Union and Budget messages in January 1975.



## WHITE HOUSE MEETINGS

1. August 20, 1974 (AM) Congressional leaders as designated by the leadership of the Congress. President outlines what he hopes to accomplish substantively through the economic summit and describes the preparatory steps to the summit. Asks for their comments and suggestions on proposed program.
2. August 22 or 23, 1974  
(optional) Cabinet meeting. President briefs the Cabinet on outcome of meeting with Congressional leaders and on the summit plans.
3. August 26 or 27, 1974 Academic, business and labor economists. CEA discusses the current state of the economy and possible new approaches to dealing with the problem. Request analysis and recommendations from this group for use in summit.
4. September 4, 1974 Labor leaders. President outlines plans for the economic summit, discusses economic situation, seeks advice from them to report at summit.

## Department Meetings -- Weeks of September 4 - 18

These meetings will have broad participation of leaders in sectors involved. Total number of participants will vary from 25-50, depending upon subject, and will include representation from the relevant Committees of Congress.

Meetings will open with brief survey by relevant officials of the current economic situation and an explanation of existing policy.

Participants will then be invited to comment on current situation and policies and to offer new ideas.

Each meeting will produce a report of its analysis and recommendations for use at the summit.

Meetings will be as follows:

1. Business -- Dent to take overall responsibility for sub-meetings, as follows:
  - a. Housing and Construction -- Lynn
  - b. Utilities and other regulated industries -- Brinegar
  - c. The service sector -- Dent
  - d. Manufacturing -- Dent
2. Banking & Finance -- Simon
3. Agriculture -- Butz
4. State & Local Government -- Lynn
5. Consumers and other Public Interest Groups -- Weinberger

Agenda:

For maximum results, it is important that a carefully drawn agenda be prepared for each of the departmental meetings and for the meeting with the economic leaders.

Summit -- September 26-27

All participants in presummit meetings will be at the summit. However, each sector meeting will choose several of its own members, perhaps a maximum of 10, to take an active role in presenting its report and engaging in discussion at the summit. The others would participate as observers and in a question period during the meeting.

## Major Elements of Current Economic Policy

The widespread opinion among all segments of American society concurs that inflation is the Nation's number one problem. We can scarcely underestimate its impact. A prolonged period of unchecked, double digit inflation poses a severe threat to the economic and social structure of the United States.

Accordingly, our current economic policy is, by necessity, anti-inflationary in character. The major weapons of our overall anti-inflationary arsenal are continued emphasis on responsible and mildly restrictive fiscal and monetary policies, which are supplemented and supported by strong measures and programs to:

1. increase productivity and efficiency;
2. promote conservation;
3. encourage international cooperation and problem-solving;
4. monitor current wage and price developments;
5. solve the problems of specific troublesome sectors such as housing, small business, utilities, financial markets, and food and energy; and
6. minimize unemployment and alleviate the hardships borne by the unemployed.

Inflation, and the policies designed to bring about a moderation of inflationary pressures, have an impact on each and every one of us.

With this important recognition in mind, we hope to explore the full range of consequences implied by our current anti-inflationary prescriptions in the Summit Conference on Inflation called for by the President. We hope this Conference will successfully bring forth more opinions, promote greater understanding of the problem, and encourage the development of new ideas and solutions.



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For maximum results, it is important that a carefully drawn agenda be prepared for each of the departmental meetings and for the meeting with the economic leaders.

Summit -- September 26-27

All participants in presummit meetings will be at the summit. However, each sector meeting will choose several of its own members, perhaps a maximum of 10, to take an active role in presenting its report and engaging in discussion at the summit. The others would participate as observers and in a question period during the meeting.

## Major Elements of Current Economic Policy

The widespread opinion among all segments of American society concurs that inflation is the Nation's number one problem. We can scarcely underestimate its impact. A prolonged period of unchecked, double digit inflation poses a severe threat to the economic and social structure of the United States.

Accordingly, our current economic policy is, by necessity, anti-inflationary in character. The major weapons of our overall anti-inflationary arsenal are continued emphasis on responsible and mildly restrictive fiscal and monetary policies, which are supplemented and supported by strong measures and programs to:

1. increase productivity and efficiency;
2. promote conservation;
3. encourage international cooperation and problem-solving;
4. monitor current wage and price developments;
5. solve the problems of specific troublesome sectors such as housing, small business, utilities, financial markets, and food and energy, and
6. minimize unemployment and alleviate the hardships borne by the unemployed.

Inflation, and the policies designed to bring about a moderation of inflationary pressures, have an impact on each and every one of us.

With this important recognition in mind, we hope to explore the full range of consequences implied by our current anti-inflationary prescriptions in the Summit Conference on Inflation called for by the President. We hope this Conference will successfully bring forth more opinions, promote greater understanding of the problem, and encourage the development of new ideas and solutions.



THE WHITE HOUSE

WASHINGTON

August 20, 1974

MEMORANDUM FOR:

THE PRESIDENT

FROM:

KENNETH RUSH  
L. WM. SEIDMAN

SUBJECT:

Summit Conference on Inflation

This memorandum sets out a basic plan for the summit conference on the economy.

Goals to be Achieved From the Summit Conference

Goals which should guide the planning and conduct of the Economic Summit Conference are:

1. The Summit should clarify the realities of the nation's present economic condition.
2. The Summit must seek to develop a consensus on the basic policies which should be adopted to deal with the problem of inflation. This consensus could take the form either of specific agreements adopted as conference positions or of a statement of a comprehensive Administration position.
3. Consensus on the need for fiscal restraint through control of the federal budget is the first action to be sought. Also a dialogue on monetary policy will seek agreed objectives in this area. Consensus also should emerge on the need for responsible private wage and price behavior and a national effort to increase productivity.
4. New and realistic approaches to combating inflation will be sought and explored. No attempt will be made to reach agreements on these new approaches at this time.
5. Areas of hardship needing immediate action will be determined for recommended action.

### Steering Committee

A steering committee of eight people will be formed from Executive and Legislative Branches and will be designated to provide overall direction for the meeting. The Executive representation on the committee will be Messrs. Rush, Ash, Simon, and Greenspan. Mr. Seidman will act as executive director.

### Format Preparation

A series of presummit conferences involving various sectors of the economy will be held. Both legislative and congressional leaders will attend and each will be chaired by a Cabinet officer (schedule attached).

Each meeting will receive an economic briefing from the CEA on current economic situation and policy. Attendees will be asked to come prepared to present and discuss their view on how to control inflation. An attempt will be made to focus on fundamentals -- fiscal and monetary policy. A part of the meeting may be public.

A special group of professional nongovernmental economists will be formed under the direction of CEA. They will meet with the President, prepare presentations for the summit conference, and attend the sector meetings.

### Substantive Preparation

A very brief statement on the present economic situation and outlook and current economic policy will be developed by the Council of Economic Advisers to be issued to those participating in the Summit Conference on Inflation. To help the Administration provide leadership in framing fiscal policy as a key issue, OMB has outlined different options for achieving desired budget reductions. It has also prepared materials focussing on uncontrollable and controllable budget items, available programs for public service jobs, and the costs of additional public employment. A consensus as to monetary policy, wage and price restraint, and increased productivity will be sought in each meeting associated with the summit.

### First Summit Conference

The series of meetings between the Administration, the Congress, and representatives of the private sector would culminate in a two-day

Summit conference on September 30 and October 1. It will be open to the public. This meeting, presided over by the President, would include participants from each of the groups invited to the preliminary meetings and would hopefully result in a public expression of commitment and willingness to accept the necessary sacrifices.



## S C H E D U L E

### Presidential Pre-Summit Meeting

1. August 20, 1974 (AM) Congressional leaders as designated by the leadership of the Congress. President outlines what he hopes to accomplish substantively through the economic summit and describes the preparatory steps to the summit. Asks for their comments and suggestions on proposed program.
2. August 26, 1974 Cabinet, CEA, and OMB meetings. President briefs the Cabinet on outcome of meeting with Congressional leaders and on the summit plans. OMB briefs on budget alternatives. CEA gives current economic situation.
3. August 28, 1974 Academic, business and labor economists. President with aid of CEA discusses the current state of the economy and possible new approaches to dealing with the problem. Request analysis and recommendations from this group for use in summit and their participation in other sector meetings.
4. September 4, 1974 Labor leaders. President and Secretary of Labor outline plans for the economic summit, discuss economic situation, seek advice from them to report at summit.

### Cabinet Officer's Pre-Summit Meetings -- September 9-23

These meetings will have broad participation of leaders in various sectors as follows:

1. Business -- Dent to take overall responsibility for sub-meetings, as follows:
  - a. Housing and Constructions -- Lynn
  - b. Utilities and other regulated industries -- Brinegar
  - c. The service sector -- Dent
  - d. Manufacturing -- Dent

2. Banking and Finance -- Simon
3. Agriculture -- Butz
4. State and Local Government -- Lynn
5. Consumers and other Public Interest Groups -- Weinberger
6. Other meetings may be scheduled if considered desirable.

Detailed planning and responsibility for meetings will be with the Cabinet officer involved.

Total number of participants will vary from 25-50, depending upon subject, and will include representation from the relevant committees of Congress.

Meetings will open with brief survey by officials of the current economic situation and an explanation of existing policy.

Participants will then be invited to comment on current situation and policies and to offer new ideas.

Each meeting will produce a report of its analysis and recommendations for use at the summit.

#### Agenda:

For maximum results, it is important that a carefully drawn agenda be prepared for each of the departmental meetings and for the meeting with the economic leaders.

#### Summit -- September 30 - October 1

All participants in presummit meetings will be at the summit. However, each sector meeting will choose several of its own members, perhaps a maximum of 10, to take an active role in presenting its report and engaging in discussion at the summit. The others would participate as observers and in a question period during the meeting.

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

August 20, 1974

MEMORANDUM FOR:

✓ Mr. Hartmann

Mr. Marsh

FROM:

Bill Seidman

*TWS*

SUBJECT:

Former Herb Klein PR group

Some of the members of the old Klein PR group who recently visited with the President would like to get together with us to discuss PR ideas with particular relation to the economy and the summit conference. Herb will not be there.

They would like you to have dinner with them on Thursday, August 29. The invitation came from Jack Gertz of AT&T.

Please let me know if you would like to attend.

## THE WHITE HOUSE

WASHINGTON

### SUMMIT CONFERENCE ON INFLATION

Date: August 26, 1974

#### Goals

The goals of the Summit Conference on Inflation are to:

1. Clarify the realities of the nation's present economic condition.
2. Identify the causes of the present inflation.
3. Search for a consensus on the basic policies which should be adopted to deal with the problem of inflation.
4. Explore new and realistic approaches to combat inflation.
5. Define areas of hardship needing immediate action.

#### Steering Committee

A Steering Committee of eight people has been formed from the executive and legislative branches to provide overall direction for the meetings. The congressional representatives are Senators Humphrey and Tower, and Congressmen McFall and Conable. The Administration representatives on the Committee are Messrs. Rush, Ash, Simon, and Greenspan. Mr. Seidman is the Executive Director. Advisers to the Committee will be Arthur Burns and, when selected, the Executive Directors of the Council on Wage and Price Stability and the Productivity Commission.

#### Schedule of Summit Meetings

A series of Summit meetings involving various groups and sectors of the economy will be held during September before the final conference.

|          |            |               |
|----------|------------|---------------|
| Sept. 5  | Economists | The President |
| Sept. 11 | Labor      | The President |



|             |                                  |                      |
|-------------|----------------------------------|----------------------|
| Sept. 12    | State and Local Government       | Secretary Lynn       |
| Sept. 13    | Agriculture and Food             | Secretary Butz       |
| Sept. 16    | Transportation                   | Secretary Brinegar   |
| Sept. 17    | Natural Resources and Recreation | Secretary Morton     |
| Sept. 18    | Business and Manufacturing       | Secretary Dent       |
| Sept. 18    | Housing and Construction         | Secretary Lynn       |
| Sept. 19    | Health, Education and Welfare    | Secretary Weinberger |
| Sept. 20    | Banking and Finance              | Secretary Simon      |
| Sept. 27-28 | Summit Conference                | The President        |

#### Summit Meeting Procedures

**Cabinet Officer-Congressional Steering Committees** should determine the specific arrangements for each of the preliminary meetings under the direction of the Summit Conference Steering Committee.

**Size:** Meetings should follow a general guideline of 25-50 participants.

**Location:** It is hoped that several meetings will be held outside of Washington, D.C. prior to the final conference.

**Sessions:** Meetings should include two public sessions -- morning and afternoon. In accordance with the Freedom of Information Act, a public record will be made. In addition, we recommend a closed dinner meeting the evening before the public sessions.

**Logistics:** Logistical arrangements and expenses involved in the meetings should be borne by the respective Departments.

**Participants:** In suggesting participants for the meetings, the Cabinet Officer-Congressional Steering Committees are encouraged to include labor, consumer, and regulatory representatives where, in their opinion, such participation is appropriate. A letter of invitation from the President will be sent on August 30. (Form attached) A list of questions to focus discussion at the meetings will accompany the invitation. (Form attached) Lists of suggested participants and revisions of questions in light of each particular meeting are requested to be submitted

to Mr. Seidman's office by 5:00 p.m. August 28.

#### Format for Summit Meetings

A Council of Economic Advisers Report on the State of the Economy and an OMB Report on the federal budget will form the basis for the initial discussions in each of the meetings. Each participant will be requested to come prepared to give his views on fundamental issues and specified subjects. Emphasis will vary based on the special expertise of the group attending.

All meetings will be asked to address themselves to the following fundamental issues:

1. The size and composition of the federal budget and the amount of revenue to be raised.
2. Monetary policy and interest rates.
3. International problems.

Specific problems of inflationary impact will be dealt with in appropriate meetings as determined by the steering committees. For example:

1. Price and wage behavior. (Labor, Housing and Construction, Transportation, etc.)
2. Capital Formation. (Banking and Finance, Housing and Construction, Transportation, etc.)
3. Areas of high inflationary pressures. (Health, Food, Natural Resources, etc.)
4. Tax policy and incentives. (Natural Resources, Banking and Finance, Business and Manufacturing, etc.)
5. Priorities among existing federal programs. (State-and Local Governments; Health, Education and Welfare, etc.)

#### The Summit Conference

The series of meetings between the Administration, the Congress, and representatives of the private sector will culminate in a two-day Summit Conference on September 27 and 28. It will be

open to the public and presided over, in part, by the President.

Each preliminary meeting steering committee will select approximately six participants from their meeting to attend the Summit Conference as delegates. Other participants in the preliminary meetings will be invited to attend the Summit Conference as observers.

Special papers involving key areas not covered in the preliminary meetings may also be included in the Summit Conference agenda. Such papers might include: The role of science and technology in combating inflation; the effect of inflation on the elderly, the poor, and the young; inflation and the defense budget.

THE WHITE HOUSE

WASHINGTON

Date

Dear Mr. \_\_\_\_\_:

The Congress and I have agreed to hold a Summit Conference on Inflation. As part of this Conference we have scheduled a series of meetings to explore issues related to the economy and the problem of inflation. I would appreciate your participation in a meeting of leaders in the area of \_\_\_\_\_ to be held on \_\_\_\_\_ in \_\_\_\_\_.

We are asking participants to come prepared to discuss the present economic situation, its causes, and to submit their suggestions as to the most appropriate policies the government can adopt. We are also anxious to listen to your advice and counsel regarding the problems faced by your particular sector of the economy and how you can best contribute to controlling inflation. Attached are a series of questions which will help focus the discussions at these meetings.

I have asked Secretary \_\_\_\_\_ to chair the meeting on \_\_\_\_\_ and the Congress has designated \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ to attend. Please inform Secretary \_\_\_\_\_ (Phone # \_\_\_\_\_) whether you plan to attend. He will provide you with further details regarding the meeting.

The Summit Conference on Inflation is a bipartisan national effort to deal with our number one domestic problem. Your participation will be a real service to your country, and I do hope you will be able to give us the benefit of your thinking.

Kindest regards.

Sincerely,

name  
street  
city

Suggested Questions for Discussion by Participants  
at Summit Meeting of \_\_\_\_\_

I Fundamentals What is your view of the effect on inflation, and what changes do you suggest with respect to:

1. Maintaining federal expenditures below 300 billion in fiscal 1975
2. Seeking a balance federal budget or a surplus in fiscal 1976
3. Priority preferences for existing governmental programs within the federal budget limitations
4. Current levels of federal taxation
5. Current monetary policy and its effect on interest rates
6. Current international economic developments and international arrangements for financial stability

II Specific Recommendations for the \_\_\_\_\_ sector  
What is your view of the effect on inflation, and what suggestions have you with respect to:

1. Government regulations (Federal, State, Local) and their effect on productivity
2. Availability of capital funds and money for financing
3. Wage and Price controls, guidelines or private initiatives
4. Environmental protection requirements
5. Tax incentives or deterrents
6. Areas of hardship and inequities requiring immediate attention

III Other Suggestions What other suggestions do you have for controlling inflation?