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## ACKNOWLEDGEMENTS

GOV. THOMPSON

GOV LONGELY

MAYOR McLANE

MR. CLEMENTS

DISTINGUISHED GUESTS

LADIES AND GENTLEMEN

THE PRESIDENT HAS SEEN *fy.*

WHITE HOUSE CONFERENCE - CONCORD, NEW HAMPSHIRE

FRIDAY, APRIL 18, 1975

IT IS A GREAT PLEASURE TO BE HERE IN NEW HAMPSHIRE AGAIN

-- A STATE OF INFINITE RICHES.      A STATE THAT HAS MORE THAN ITS  
SHARE OF SCENIC BEAUTY.      A STATE THAT HAS MORE THAN ITS SHARE  
OF YANKEE KNOW-HOW.      A STATE THAT HAS MORE THAN ITS SHARE OF  
AMERICAN HISTORY.      AND A STATE THAT HAS LESS THAN ITS SHARE  
OF UNITED STATES SENATORS.

*May 2 add one comment -*

*New Hampshire deserves its full  
constitutional representation on the  
U.S. Senate - now.*

*2 commend the State Legislature of N.H.  
for doing all it can to make such  
senatorial representation possible*

I AM PLEASED TO JOIN THIS WHITE HOUSE CONFERENCE ON  
DOMESTIC AND ECONOMIC AFFAIRS. I HAVE FOUND MEETINGS OF THIS  
KIND A TWO-WAY STREET: THEY HELP US IN WASHINGTON KEEP IN TOUCH  
WITH YOUR VIEWS AND GIVE US THE OPPORTUNITY TO TELL YOU ABOUT OUR  
PROGRAMS.

THESE SESSIONS, ATTENDED BY A CROSS-SECTION OF  
AMERICANS, FOCUS ON OUR MAJOR CONCERNS.

EVERY ADMINISTRATION FACES AN AGENDA OF PRESSING ISSUES,

CALLING FOR IMMEDIATE ACTION. IN 1975, THESE ISSUES ARE

AMERICA'S ROLE IN THE WORLD, THE REESTABLISHMENT OF OUR ECONOMIC

HEALTH AND CREATION OF A NEW AND LONG-RANGE POLICY ON ENERGY.

CERTAINLY, THESE PROBLEMS REQUIRE OUR BEST THINKING  
AND MOST DECISIVE ACTION. BUT AMERICA HAS OTHER PROBLEMS  
THAT ALSO DESERVE ATTENTION.

ONE OF THESE IS THE NEED TO RECONSIDER THE RELATIONSHIP  
BETWEEN GOVERNMENT AND BUSINESS. FEDERAL REGULATIONS HAVE  
ENTANGLED FAR TOO MANY ASPECTS OF OUR ECONOMIC SYSTEM. THE  
AREA OF GOVERNMENT REGULATIONS HAS BEEN NEGLECTED TOO LONG.



WE MUST REASSESS THE ARCHAIC AND RIGID REGULATIONS  
WHICH HAMPER THE UNITED STATES ECONOMY AND DIRECTLY AFFECT  
THE AMERICAN CONSUMER.

IN FAR TOO MANY CASES, GOVERNMENT REGULATION HAS  
BECOME COUNTER-PRODUCTIVE AND REMOTE FROM THE NEEDS AND INTERESTS  
OF BUSINESSES AND CONSUMERS ALIKE.

WHAT AFFECTS BUSINESS, ULTIMATELY AFFECTS CONSUMERS.

AND MEANINGFUL REFORM OF OUR PRESENT REGULATORY SYSTEM MUST BE

A PART OF THE CURRENT EFFORT TO RESPOND TO THE CONSUMER.

TODAY, MORE THAN ONE HUNDRED THOUSAND PEOPLE ARE

EMPLOYED BY THE FEDERAL GOVERNMENT ALONE TO WRITE, REVIEW OR

ENFORCE SOME TYPE OF REGULATION. JUST TO LIST ALL OF THE RULES

AND REGULATIONS ESTABLISHED LAST YEAR REQUIRED FORTY-FIVE

THOUSAND PAGES OF VERY SMALL PRINT IN THE FEDERAL REGISTER.

THIS BUREAUCRACY IS EXPENSIVE TO MAINTAIN AND EVEN

MORE COSTLY IN ITS IMPACT. BUT THE ADMINISTRATIVE COSTS ARE  
NOT NEARLY AS SIGNIFICANT AS THE PRICETAGS FOR THE INEFFICIENCY TOO  
OFTEN PRODUCED BY REGULATION. THE TIME HAS COME FOR SERIOUS  
REEVALUATION OF THE REGULATORY SYSTEM.

AND REFORM MUST BE BASED ON LESS DEPENDENCE ON GOVERNMENT AND  
MORE RELIANCE ON THE CITIZEN AS PRODUCER AND CONSUMER.

THIS ADMINISTRATION HAS SEVERAL INITIATIVES UNDERWAY  
AND MORE ARE PLANNED TO MOVE THE GOVERNMENT TOWARD DEREGULATION.

LAST FALL, WE SENT THE CONGRESS LEGISLATION TO CREATE  
A BI-PARTISAN NATIONAL COMMISSION ON REGULATORY REFORM. THE  
PROPOSAL SPECIFIED A ONE-YEAR LIFE SPAN AND A MANDATE FOR ACTION  
TODAY, THERE HAS BEEN NO CONGRESSIONAL ACTION. BUT THE  
OBVIOUS NEED FOR REFORM CONVINCES ME THAT CONGRESS MUST RESPOND.

DURING THE PAST FEW MONTHS, WE HAVE STUDIED THE  
PROBLEM OF EXCESSIVE GOVERNMENT REGULATIONS AND HOW THEY STIFLE  
PRODUCTIVITY, ELIMINATE COMPETITION, INCREASE CONSUMER COSTS  
AND CONTRIBUTE TO INFLATION. AND WE HAVE CONCLUDED THAT THERE  
IS ACTION THAT CAN AND MUST BE TAKEN TO ALLEVIATE THESE PROBLEMS.

SHORTLY AFTER I ASSUMED OFFICE, THIS ADMINISTRATION BEGAN  
REQUIRING INFLATION IMPACT STATEMENTS TO MEASURE WHAT GOVERNMENT  
RULES AND REGULATIONS COST. THESE STATEMENTS WERE THE FIRST  
ATTEMPT TO SEE HOW GOVERNMENT ACTIONS CONTRIBUTE TO INFLATION.  
WHAT WE ARE FINDING OUT IS NOT JUST THE ADMINISTRATIVE COSTS OF  
THESE ACTIONS, BUT ALSO THE COSTS TO CONSUMERS.



THE RESPONSIBILITY OF GOVERNMENT IN CONTRIBUTING TO  
INFLATION IS OF GREAT CONCERN TO THIS ADMINISTRATION. THIS  
PROMPTED OUR CALL FOR A REDUCTION OF SOME FORTY THOUSAND  
FEDERAL EMPLOYEES AND A TEN PERCENT CUTBACK IN WHITE HOUSE  
PERSONNEL. BELT-TIGHTENING FOR THIS ADMINISTRATION BEGINS  
AT HOME.

THE DOWNTURN IN THE RATE OF INFLATION IS VERY ENCOURAGING.

WHEN I TOOK OFFICE, INFLATION WAS CLIMBING AT AN ANNUAL RATE OF

TWELVE POINT TWO PERCENT. TODAY, THAT RATE HAS SLOWED TO

SEVEN POINT FOUR PERCENT. IT IS STILL TOO HIGH, OF COURSE,

AND WE WILL MAINTAIN OUR EFFORTS TO BRING IT DOWN EVEN FURTHER.

I AM DETERMINED TO VETO LEGISLATION THAT IS TOO EXPENSIVE IN TERMS OF THE BUDGET DEFICIT AND LEGISLATION THAT WILL COST BUSINESS AND CONSUMERS TOO MUCH.

REGULATIONS SPRANG UP IN RESPONSE TO CERTAIN ECONOMIC CONDITIONS AND HAVE BEEN PERPETUATED BY TOO LITTLE ATTENTION TO THEIR EFFECTIVENESS.

AN OUT-DATED VIEW OF BUSINESS AS THE OPPRESSOR,  
WHICH MUST BE CONTROLLED BY THE GOVERNMENT, HAS ALSO  
CONTRIBUTED TO THE FAILURE TO TACKLE REFORM.

THE RELATIONSHIP BETWEEN GOVERNMENT AND BUSINESS

IS A RELATIONSHIP BETWEEN GOVERNMENT AND THE CONSUMER,

AND THIS MUST BE THE SPIRIT BEHIND REEVALUATION AND REFORM.

THE PRODUCERS AND THE CUSTOMERS IN OUR SYSTEM ARE NOT  
ENEMIES -- BUT PARTNERS. COOPERATION IS NEEDED TO HELP PROMOTE  
REFORM OF THE REGULATORY SYSTEM. PRODUCERS, WHO STRIVE  
TO ACHIEVE A REPUTATION FOR FAIR DEALING, ARE VERY AWARE THAT  
GOODWILL WITH THE PUBLIC IS THE MOST VALUABLE ASSET A COMPANY  
CAN HAVE.

BUSINESS AND CONSUMERS MUST UNITE FOR THE COMMON GOOD  
TO HELP UNSNARL THE RESTRICTIONS THAT ENCUMBER OUR ECONOMY.

ONE UNFORTUNATE BY-PRODUCT OF REGULATION IS THE STIFLING OF COMPETITION. REDUCED COMPETITION HURTS THE CUSTOMER AND ULTIMATELY THE ENTIRE FREE ENTERPRISE SYSTEM.

COMPETITION IS THE KEY TO PRODUCTIVITY AND INNOVATION. EVEN THOSE BUSINESSES THAT ENJOY A PROTECTED STATUS UNDER REGULATION ARE ADVERSELY AFFECTED.

ALTHOUGH IT IS DIFFICULT TO COME UP WITH AN EXACT PRICE TAG ON THE COST OF UNNECESSARY AND INEFFECTIVE GOVERNMENT REGULATION, SOME ESTIMATES PLACE THE COMBINED COST TO CONSUMERS OF GOVERNMENT REGULATION AND RESTRICTIVE PRACTICES IN THE PRIVATE SECTOR AT MORE THAN THE FEDERAL GOVERNMENT COLLECTS IN PERSONAL INCOME TAXES EACH YEAR -- OR SOMETHING ON THE ORDER OF TWO THOUSAND DOLLARS PER FAMILY. EVEN IF THE REAL COSTS ARE ONLY A FRACTION OF THIS AMOUNT -- THIS IS AN INTOLERABLE BURDEN ON OUR POCKETBOOKS.



TRANSPORATION IS AN EXAMPLE OF AN INDUSTRY WHERE  
CONSUMERS ARE AT THE MERCY OF OUTDATED REGULATION.

AS A RESULT, THE INDUSTRY HAS BEEN HAMPERED AND HARMED.

THE INTERSTATE COMMERCE COMMISSION, CREATED IN 1887

TO PROTECT THE PUBLIC FROM THE MONOPOLY OF THE RAILROADS,

PRODUCED MASSIVE CONSTRICTION OF RAIL TRANSPORTATION.

THE DEFECTS OF AIRLINE REGULATIONS BY THE CIVIL  
AERONAUTICS BOARD CAN BE SEEN IN CALIFORNIA AND TEXAS  
WHERE C-A-B REGULATED CARRIERS COMPETE WITH INTRA-STATE  
CARRIERS, WHICH ARE NOT REGULATED BY THE C-A-B.  
FARES OF THE NON-REGULATED INTRA-STATE CARRIERS ARE AS MUCH AS  
FORTY PERCENT LOWER THAN THOSE CONTROLLED BY THE C-A-B.

TO DEAL WITH INEFFICIENT AND INEQUITABLE REGULATION  
IN THE TRANSPORTATION INDUSTRY, I WILL SEND TO THE CONGRESS  
A COMPREHENSIVE PROGRAM OF REGULATORY REFORM WHICH WILL PROMOTE  
COMPETITION BY ALLOWING GREATER PRICE FLEXIBILITY, GREATER  
FREEDOM OF ENTRY, AND BY REDUCING THE POWER OF GOVERNMENT  
AGENCIES TO GRANT ANTITRUST IMMUNITY.

THESE PROPOSALS ARE DESIGNED TO ALLOW RAILROADS,  
AIRLINES AND TRUCKING FIRMS TO LOWER THEIR RATES.

INCREASED COMPETITION WILL ALSO RESULT IN MORE EFFICIENT USE  
OF ENERGY AND SAVINGS TO THE CONSUMER.

STIMULATION OF COMPETITION IS THE GOAL OF ANOTHER  
LEGISLATIVE ITEM, THE FINANCIAL INSTITUTIONS ACT, WHICH I HAVE  
ALREADY SENT TO THE CONGRESS. IT PROPOSES THE REMOVAL  
OF OUTDATED CONSTRAINTS ON SERVICES AND RATES WHICH BANKS  
AND SAVINGS INSTITUTIONS OFFER TO CONSUMERS.

AS MOST OF YOU KNOW, PRESENT REGULATIONS MAKE IT  
EASIER TO OBTAIN HIGHER INTEREST RATES FOR THE LARGE DEPOSITOR  
THAN THE SMALL DEPOSITOR. BANKS SHOULD BE ALLOWED  
TO COMPETE FOR THE SMALL INVESTOR'S DOLLAR -- AND THIS  
LEGISLATION WOULD FACILITATE THAT.

IF APPROVED BY THE CONGRESS, THIS ACT WOULD  
OPEN UP NEW SOURCES OF DEPOSITS AND INCREASE THE LENDING POWER  
OF FINANCIAL INSTITUTIONS. THE INCREASED FINANCIAL FLEXIBILITY  
WILL OBVIOUSLY PROVIDE AN ECONOMIC BOOST AND GIVE THE AVERAGE  
CONSUMER A BETTER OPPORTUNITY TO EARN A GOOD INTEREST  
FROM SAVINGS.



MARKETPLACE COMPETITION WOULD BE IMPROVED

BY INCREASING CONSUMER INFORMATION. THE BETTER INFORMED

THE PURCHASER, THE MORE COMPETITIVE PRODUCERS MUST BECOME.

ALL OF THE INITIATIVES TOWARD DEREGULATION SHOULD BE  
ACCOMPANIED BY ENFORCEMENT OF ANTITRUST LAWS. VIGOROUS  
ANTITRUST ACTION MUST BE PART OF THE EFFORT TO PROMOTE  
COMPETITION.

A NUMBER OF INDUSTRIES WERE MADE EXEMPT FROM THESE CONTROLS; OTHERS WERE NOT. LIKE MANY GOVERNMENT INTERVENTIONS IN THE MARKET SYSTEM, THE EXEMPTIONS WERE ENACTED IN RESPONSE TO VARIOUS ECONOMIC DIFFICULTIES, REAL OR IMAGINED, WITH LITTLE OR NO THOUGHT ON THE LONG-RUN EFFECT. THE TIME HAS COME TO RECONSIDER THESE EXEMPTIONS AND TO DISCONTINUE THOSE NOT JUSTIFIED.

RE-EVALUATION OF ANOTHER COUNTERPRODUCTIVE PATTERN,  
SO-CALLED "FAIR TRADE" LAWS IS UNDERWAY IN STATE LEGISLATURES.  
AND NEW HAMPSHIRE IS ONE OF THE STATES WHERE THESE OUTDATED  
LAWS HAVE BEEN REPEALED.

THESE STATE LAWS ARE SANCTIONED BY FEDERAL STATUTES,  
AND THEY PERMIT MANUFACTURERS TO DICTATE THE PRICES AT WHICH  
RETAILERS MUST SELL THEIR GOODS.

THOSE OF YOU WHO LIVE IN MAINE AND MASSACHUSETTS

UNDERSTAND WELL WHAT THESE LAWS COST YOU AS CONSUMERS.

ALTOGETHER, 'FAIR TRADE' LAWS COST AMERICANS AN ESTIMATED

TWO BILLION DOLLARS IN HIGHER PRICES EACH YEAR.

THE STATE LEGISLATIVE REPEALS ARE ENCOURAGING.

BUT THE CONGRESS SHOULD ACT TO REMOVE THE FEDERAL LAWS THAT

ALLOW STATES TO HONOR THESE PRACTICES. SENATOR EDWARD BROOKE

OF MASSACHUSETTS HAS PROPOSED SUCH LEGISLATION, WHICH SHOULD

BE PASSED.

IN THE COMING WEEKS, THE ADMINISTRATION WILL PROPOSE  
LEGISLATION TO PERMIT LEGITIMATE DISCOUNT PRICING.

TO THE MAXIMUM EXTENT OF LAW, MANUFACTURERS SHOULD BE ALLOWED  
TO PASS ON TO RETAILERS THE COST BENEFITS OF PRODUCING AND  
SHIPPING LARGE ORDERS FOR CHAIN STORES AND OTHER VOLUME BUYERS.

LIKE "FAIR TRADE" LAWS, RESTRICTIONS ON DISCOUNTS ACT TO KEEP  
CONSUMER PRICES HIGHER THAN NECESSARY.



THESE ARE ONLY SOME OF THE AREAS WHERE THE  
ADMINISTRATION HAS FOCUSED ON POTENTIAL ACTION TO PROMOTE MORE  
COMPETITION IN THE MARKETPLACE, WHICH BENEFITS BUSINESS AND  
CONSUMERS. OTHER ACTIONS WILL BE TAKEN AND MORE LEGISLATION  
PROPOSED.

I URGE REFORM OF STATE AND LOCAL REGULATIONS.

THE NEED TO CLEAR THE COBWEBS FROM OUR GOVERNMENT REGULATIONS

APPLIES TO ALL FORMS OF GOVERNMENT CONTROLS.

REFORMS OF OUR PRESENT REGULATORY STRUCTURE DEPEND  
UPON A REVISION IN OUR ATTITUDES. NEW PERCEPTIONS ARE  
ALREADY HERE, MANY OF THEM TRIGGERED BY CONSUMER ADVOCATES.  
SOME ARISE FROM OUR CURRENT ECONOMIC PROBLEMS.

IN UNRAVELING NEARLY A CENTURY OF REGULATIONS,  
WE MUST ENSURE THAT THE PUBLIC INTEREST PREVAILS.

NOTHING RESISTS CHANGE MORE STUBBORNLY THAN A  
COMFORTABLY ENTRENCHED BUREAUCRACY, INTENT UPON  
SELF-PRESERVATION.

BUT THE HISTORY OF THIS NATION, INDEED ITS FOUNDING  
WHICH WE ARE ABOUT TO CELEBRATE, IS A CONTINUING CHRONICLE  
OF CHANGE.

AMERICA HAS THE UNIQUE ABILITY TO REFORM ITSELF.

IT IS OUR GREAT STRENGTH. THE NEED TO REFORM THE RELATIONSHIP  
BETWEEN GOVERNMENT AND BUSINESS IS NOT AS DRAMATIC AS SOME OF  
THE REFORMS WE HAVE MADE IN THE PAST. BUT IT IS VITAL TO OUR  
ECONOMIC RECOVERY AND STABILITY.

CHANGE IS THE LIFEblood OF DEMOCRACY, AND THE  
WILLINGNESS OF AMERICA TO CONFRONT CHANGE INSURES THE CONTINUITY  
OF OUR INSTITUTIONS.

I AM CONFIDENT THAT AMERICA WILL RESPOND TO THE  
CHALLENGE FOR GROWTH.

END OF TEXT