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THE WHITE HOUSE

TEXT OF REMARKS BY THE PRESIDENT  
TO BE DELIVERED TO THE  
OHIO RIVER VALLEY WHITE HOUSE CONFERENCE  
CINCINNATI CONVENTION CENTER

I appreciate the opportunity to meet with you today as part of the Ohio River Valley White House Conference. As you have already heard from other speakers, there are answers to our many problems -- but no easy answers.

The closest we've ever come to an easy answer was the day Secretary Simon took Vice President Rockefeller through the Treasury . . . As they came to the end of the tour, Bill Simon said, "The Treasury is one of the most important aspects of our economic policy." Vice President Rockefeller said, "I'll buy that!" . . . And Simon said, "Sold!"

I know that you have already had a very full day and have heard from a number of my top advisers and key Administration officials on a wide range of subjects. So instead of another lengthy speech covering a lot of the same territory, I will take a few minutes to talk about something I feel strongly about -- America's domestic well-being.

As each of you are well aware, the past year has been a difficult and perplexing one. We have been through a series of crises. But we have survived as a nation and have become strengthened as a people.

For three straight months now, the index of leading economic indicators has been heading steadily upward. Gains have been impressive in retail sales, personal income, housing starts and in the number of Americans at work -- all reflecting the inherent confidence of the people in this country and its free enterprise system.

Once again, our people, our political system and our economy have demonstrated the strength that made us the most bountiful nation in the world. Once again, the pessimists have been proven wrong about America.

But we must not allow the good news to obscure the pitfalls still ahead. Although all indicators say we have brought recession to a halt, there are other problems that require prompt attention.

Take inflation -- one of the most pernicious economic ills of the post-war era. When I visited Cincinnati last year about this time, inflation was our biggest worry. We were anxious about the double-digit increase in the cost of living -- an annual rate of inflation of more than 12 percent.

Today, that rate of inflation has been reduced to less than six percent. By the end of the year, we hope it will be even lower. If we succeed, it will be -- in large measure -- because we held the line against a number of new Federal spending programs that would have fanned the embers of inflation back into a raging fire.

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By using the Presidential veto, the taxpayers will have been saved so far an estimated 6 billion dollars by 1977. I realize that each time I use the veto there will be some who complain. Each special interest group in America--and there are literally thousands of them--has targeted benefits that it wants from the Federal Government. Each has its energetic advocates in the Congress and lobbyists in the country.

This, of course, is the American system. I understand this very well. But I want to make sure the American people understand what is happening. Just as each Congressman has a responsibility to represent the interests of his state and district, I have a duty to safeguard the broadest national interest. I refer to the interest of the 81 million taxpayers who must pick up the tab for each of these new spending bills--either through taxes or inflation--or both. I take that responsibility seriously. The American people have a right to expect their President to protect their interests. That is one reason the veto power exists in the Constitution and why I will use it when necessary.

But there is another important part of the Presidential veto which has not been adequately discussed. This is the positive side of the veto. The veto is not a negative, dead-end device. In most cases, it is a positive means of achieving legislative compromise and improvement--better legislation, in other words.

From my 25 years in the Congress, and the time I have since spent in the White House, I am convinced that the Founding Fathers put the veto power in our Constitution as a vital part of the system of checks and balances. Recent history bears this out. President Truman exercised the veto 250 times and was only overridden 12 times. President Eisenhower used it 181 times. He was only overridden twice. But, again and again, the result of the initial veto was to bring the President and the Congress together to work out a compromise measure--usually a sounder, more responsible measure than the original one.

Just recently, I asked the Congress to appropriate 1.9 billion dollars for summer jobs for young people plus adequate funding for additional public service jobs to deal with temporary unemployment. Congress added 3 billion dollars on its own for miscellaneous measures. I considered these additions to be too inflationary. They could not be justified. So I used the veto.

But that was not the end of the legislative process. After most Republicans joined with some discerning Democrats to sustain my veto in the House, the Congress worked out a mutually acceptable compromise with me.

Most of the so-called "pork barrel" provisions were eliminated and, this summer, some 840,000 young Americans will have the jobs I asked for. In addition, the legislation which I requested and signed into law last Friday will extend the Public Service Jobs Program and provide 1.6 billion dollars to continue another 310,000 jobs. So the result of my Presidential veto was better legislation which also adhered to the anti-inflation guidelines I had originally proposed.

In the case of housing, I sent an extravagant, multi-billion dollar measure back to the Congress, which then sustained my veto and proceeded to come up with far more responsible legislation. I signed this better bill into law yesterday.

Let me emphasize this: The business of government is to help -- not interfere with -- the lives, the businesses, the occupations, the professions and the family life of the American people. There are times when the President's veto must be used to keep the Federal Government from over-extending itself at the individual's expense -- in terms of such infringements as lost dollars and lost individual rights.

The excessive growth of Federal spending and interference has already inflicted an incredible toll in taxes, loss of incentive and economic damage onto the public. The roots of the problem date back more than a generation. A trend was set by politicians and theorists who advocated massive Federal spending as a sure-fire cure for everything that ailed us.

In the past 15 years alone, enormous Federal deficits were used to finance unprecedented domestic spending. Too many of these expenditures produced short-term benefits for some Americans, while inflicting long-term damage on all Americans.

Many of those whom the programs sought to help -- the poor, the elderly and the disadvantaged -- are now bearing the inflationary burden of Uncle Sam's 15 year spending spree.

And people are waking up. They are beginning to realize that our society -- our national economic family -- must live by the same rules that every other family does. We cannot spend more than we earn without endless borrowing.

The borrowing and spending spree must end. We must stop falling for short-term solutions at the cost of long-term setbacks. In addition to over-spending, recent years have seen a dangerous and costly trend toward over-regulation by the Federal Government.

Over a period of 90 years, we have gradually erected a massive Federal regulatory structure. Some of the basic regulations are still necessary, but many are not. And the whole regulatory structure is encrusted with contradictions, excesses and rules that have outlived any conceivable value.

Let me give you an example of how over-regulation from Washington affects you here in the Ohio Valley. Back in the days when natural gas was a seemingly inexhaustible resource, the Congress decided to regulate it.

Since then, conditions have changed drastically, but the Congress has done nothing. And this Congressional inaction -- this stubborn clinging to an obsolete regulation, has resulted in a serious gas shortage that is damaging your local businesses and industries and costing you jobs.

The problem is basic: For the past 20 years, the Federal Power Commission has set artificially low prices at the wellhead for natural gas sold in interstate markets. The result has been that gas producers sell as much of their product as they can locally or inside their state borders, at free market prices. Regions like the Ohio Valley that do not have adequate supplies of natural gas must suffer the consequences.

Starting with my State of the Union Address, I have repeatedly urged the Congress to deregulate natural gas and expand the supply of it nationwide. But the Congress has done nothing. So, the Ohio River Valley and other areas will continue to pay the price for government over-regulation.

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I will continue to prod the Congress to act on removing these archaic regulations that make life harder for millions of American workers, businessmen and taxpayers. Last week, I met with 24 key members of the House and Senate to seek modernization of our cumbersome regulatory agencies. We reached agreement in some broad areas, and I am confident that, together, we will cut out this unnecessary red tape now plaguing our citizens.

I can't think of a better gift for America in our Bicentennial year. After all, Government was intended to help us in the pursuit of happiness -- not to set up obstacles.

America is on the threshold of her third century as a free and independent nation. One hundred and ninety-nine years ago tomorrow, we officially took the first giant step from colony to nationhood. A brave new chapter in the history of mankind was begun on that day -- a chapter we are still writing, by word and deed, in our own lifetimes, almost two centuries later.

This great country of ours still has so many wonderful things going for it. We have a fertile land, yielding up rich harvest of food and resources. We have an industrial and military might that is second to none in the world.

We have a unique set of freedoms handed down to us by the men who met in Independence Hall two centuries ago -- a set of freedoms that is still vital and alive today.

And, most of all, we have the unsurpassed national resource of the courage, hard work, moral strength and faith of the American people.

On the eve of the celebration of Independence, I pledge this to the Nation: To do everything I can to make government the servant -- and not the master -- of the 214 million free men and women of America.

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