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THE WHITE HOUSE

**TEXT OF REMARKS BY THE PRESIDENT
TO THE WHITE HOUSE CONFERENCE
ON DOMESTIC AND ECONOMIC AFFAIRS**

**PEORIA, ILLINOIS
AUGUST 19, 1975**

Because of the emphasis on questions and answers, rather than speeches, I am certain this conference will be long remembered in the history of verbal communication. It has been said that a dialogue is when you exchange views with a colleague -- and a monologue is when a politician exchanges views with you. Today, I think we have taken a moderate size step in the direction of eliminating that monologue. And so, I come to Peoria, not just to be heard -- but to look, listen, and learn. As a starter, I want to tell you about the goals and plans of my Administration. But I also want you the people of Peoria and of Illinois, to tell me your feelings and concerns about the vital issues facing us as a nation.

One thing is certain: we have plenty to discuss. I have been President for only one year -- but what a year it has been! Even though most of us would not like to go through it again, we've had more pluses than minuses.

Yes, there have been difficulties and reverses along the way. But America has weathered the storm both in foreign and domestic affairs. Once again, the American system, the government and the people, have met the test. Consider the economy. Since March, total employment has risen by 1.2 million, industrial production by one percent, personal income by four percent, and retail sales by 8.8 percent.

Not only our economy but our political system has demonstrated anew the strength and resilience that has made us the freest -- as well as the strongest and wealthiest -- nation in the world. Where it counts, America has not and will not ever be satisfied with second place.

Don't misunderstand me: I'm not saying that our troubles are over -- that we have reached the promised land. But we have a darned good vehicle to get us to that promised land -- and it's called the free enterprise system. The job of all Americans is to help put that vehicle into high gear. Although most of the evidence so far points to a healthy economic recovery, we cannot afford to take that recovery for granted. There are plenty of problems left that require our prompt and concerned attention.

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Take inflation. The latest figures show an annual rate increase for June of just over nine percent in the cost of living and over 15 percent for July in the wholesale price index. This should serve as a warning that--with the worst of the recession behind us--we must guard against the kind of excessive new federal spending that could trigger another protracted round of double-digit inflation.

For my part, I will do everything I can to hold the line against inflationary federal spending.

I cannot stop a runaway Congress from voting appropriations that fan the flames of inflation. But I can and will continue to use my veto authority to curb the inflationary spending excesses of a majority of this Congress.

There has to be--there must be--enough good men and women of both parties in the Congress who will band together to sustain my vetoes--in the public interest.

Remember: Inflation doesn't recognize party labels. When the cost of living zooms upward, we all pay the price--especially the old, the poor, the jobless and those on fixed incomes, be they Democrats, Republicans, Independents or drop-outs. The burden is shared by all.

Inflation is a common enemy. We must fight it with a common front.

And so, each time I use the veto to battle inflation I am taking a positive--not a negative--step. The vetoes I have exercised so far will save you--the American taxpayer--an estimated 6 billion dollars by 1977 in tax payments or loss of purchasing power through inflation.

We are talking about preserving your purchasing power and the value of your paycheck, your pension and social security check and your savings. We are talking about your future economic security.

Now, I am well aware of the fact that some people do not accept this argument. They say that there is no inflationary price tag on massive government spending. But they are wrong.

In their view, the solution to all of our ills is for government to spend more of your money and for government to regulate more of your lives. Unfortunately, their argument for bigger government--and bigger government spending--has been accepted all too often in the post-war years.

The result has been a growing and unwarranted trend toward Federal interference--interference in the free enterprise system; interference in state and local government; and, as we are now beginning to discover, even interference in our personal lives.

This trend must be reversed--and it will be if I have anything to say about it.

Despite all the obstacles that well-meaning government has put in the way, the American system--and the American worker--continue to provide us with a living standard that is the envy of the entire world.

You don't have to look any further than Peoria for proof of what I am saying. Thanks to productive, competitive industries and skilled, willing workers, the Peoria area turns out industrial goods that sell, not only coast to coast, but around the globe. And one blessed result of this productiveness is that you have an unemployment rate well under the national average.

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That's a fine record--one to be proud of. And you have achieved it in spite of--not because of--big government. Let me give you just one example. I understand that there is serious local concern here about the possibility of future natural gas shortages.

Now, if this is the case, what is the reason? Is it because we don't have enough known sources of natural gas? No. For the present at least, there is enough to meet our needs.

The problem is not one of supply. It is one of regulation--obsolete Federal regulation that may cost this part of Illinois and other regions of America jobs and economic growth.

The basic problem is this: For twenty years, the Federal Power Commission has been required by law to set artificially low prices at the wellhead for natural gas sold in inter-state markets. The result has been that gas producers sell as much of their product as they can inside state borders at free market prices, creating shortages in non-producing states--and communities like Peoria suffer the consequences.

Believe me, this isn't the first time I've said this: As Vice President and now as President, I have consistently urged the Congress to de-regulate natural gas to expand its supply nationwide.

But the Congress has done nothing--even though common sense says it must be done and public opinion polls show growing popular support for de-regulation. Further delay is intolerable. Even if the Congress acts this session, it will still be one or more winters before we feel the beneficial results of that action.

I am delighted to be here today--to hear from you, to urge each of you to make your voice heard for the kind of free, prosperous America we all want and believe in.

Freedom is more than a word. It is a way of life--a vital, living thing. And each generation must strengthen and renew it or it will surely perish--as we have seen all too often elsewhere in the world.

The time is now for our generation to keep this ideal alive. We must make sure that our first two hundred years as a free people--glorious as they have been--will be only the beginning of the American success story. Together, let us prove to the entire world that the American dream is best realized when we are wide awake!

Thank you very much.

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