



OFFICE OF THE VICE PRESIDENT  
WASHINGTON

October 23, 1978

MEMORANDUM TO THE VICE PRESIDENT

FROM: GAIL HARRISON

SUBJECT: STATEMENT ON INFLATION

Attached is a draft which has been cleared if you decide you want to make a statement on inflation after the President gives his talk on inflation.

STATEMENT BY VICE PRESIDENT WALTER F. MONDALE  
ON INFLATION IN MOOREHEAD, MINNESOTA

OCTOBER 24, 1978

(FOLLOWING THE PRESIDENT'S FIRESIDE CHAT)

IN THE DAYS AND WEEKS BEFORE CAMP DAVID, IT WAS OFTEN SAID THAT FAILURE WAS ALMOST CERTAIN. THE ISSUES WERE TOO COMPLEX, THE POLITICAL COSTS TOO HIGH -- FOR ANY PRESIDENT TO GAMBLE ON THE FRAGILE HOPE OF PEACE.

PRESIDENT CARTER REJECTED THOSE ARGUMENTS BECAUSE OUR COUNTRY AND THE WORLD COULD NOT AFFORD THE ALTERNATIVE . . . EVER INCREASING TENSION AND THE THREAT OF WAR.

THIS EVENING THE PRESIDENT SHOWED THAT SAME COURAGE IN MAKING A PERSONAL COMMITMENT TO THE AMERICAN PEOPLE TO DO EVERYTHING WITHIN HIS POWER TO CONTROL INFLATION. WE ARE SHARPLY REDUCING THE FEDERAL BUDGET DEFICIT AND OPPOSING WASTEFUL SPENDING PROPOSALS. WE ARE CUTTING NEEDLESS REGULATIONS AND STIMULATING COMPETITION. AND WE ARE ASKING THE AMERICAN PEOPLE TO JOIN US IN ABIDING BY VOLUNTARY PRICE AND WAGE STANDARDS.

IF WE FAIL TO COME TO GRIPS WITH INFLATION, EVERYONE -- BUSINESSES, WORKERS, AND ESPECIALLY SENIOR CITIZENS AND THE POOR -- WILL SUFFER.

IF WE DO COOPERATE IN MAKING THIS PROGRAM WORK, ALL AMERICANS WILL BENEFIT -- THROUGH HIGHER REAL EARNINGS FOR BUSINESSES, FARMERS AND WORKING FAMILIES, INCREASED PURCHASING POWER, HIGHER PRODUCTIVITY, A MORE STABLE DOLLAR AND A STRONGER COMPETITIVE POSITION IN THE WORLD.

THE PROGRAM IS FAIR. IT PROVIDES THE FLEXIBILITY NEEDED TO DEAL WITH PROBLEMS UNIQUE TO INDIVIDUAL INDUSTRIES AND BUSINESSES. IT PROVIDES PROTECTION FOR WORKERS AGAINST EROSION IN THEIR REAL EARNINGS. IT RECOGNIZES THAT A FAIR RETURN TO THE FARMER REQUIRES REASONABLE FOOD PRICE STABILITY AND A REDUCTION IN THE OVERALL INFLATION RATE.

I AM PROUD THAT MINNESOTA HAS LONG BEEN A PROGRESSIVE STATE. THAT IS THE SPIRIT THAT IS NEEDED TODAY -- ONE OF CONFIDENCE AND OPTIMISM -- NOT BECAUSE SUCCESS IS CERTAIN -- BUT BECAUSE WE ARE LEAVING NO STONE UNTURNED IN PURSUING EVERY AVENUE AND EVERY APPROACH THAT MAKES SENSE.

10/23/78

INFLATION SPEECH

Good evening.

I want to have a blunt talk with you tonight about our most serious domestic problem.

That problem is inflation. It can threaten all the economic gains we have made, and it can stand in the way of what we want to achieve in the future.

This has been a longtime threat.

For the last ten years, the annual inflation rate in the United States has averaged 6½%, and during the three years before my inauguration it had jumped to an average of 8%.

Inflation has, therefore, been a serious problem for me ever since I became President. We have tried to control it but we have not been successful. It is time for all of us to make a greater and a more coordinated effort.



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