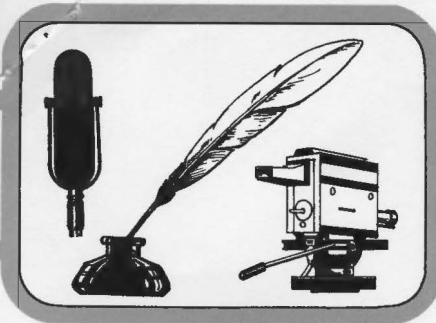


**The original documents are located in Box D25, folder “New York Sales Executive Club Luncheon, New York, NY, September 24, 1968” of the Ford Congressional Papers: Press Secretary and Speech File at the Gerald R. Ford Presidential Library.**

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CONGRESSMAN  
**GERALD R. FORD**  
HOUSE REPUBLICAN LEADER

**NEWS  
RELEASE**

--FOR RELEASE IN TUESDAY PM's--  
September 24, 1968

Excerpts from a Speech by Rep. Gerald R. Ford, R-Mich., Minority Leader of the U.S. House of Representatives, at a New York Sales Executives Club luncheon Tuesday, Sept. 24, 1968, at the Roosevelt Hotel, New York, N.Y.

What is the current political outlook--and how might it affect business?

The most salient political-economic facts right now are the combination of a federal spending hold-down and the 10 per cent surtax on individual and corporate income, and the start of one of the most critical presidential election campaigns in American history.

The surtax did not have a depressing effect on the economy during July and August. Neither has it yet had a substantial effect on inflationary pressures. In fact, the consumer price indexes for June and July showed the sharpest two-month cost-of-living rise in 11 years.

But now there are signs that the consumer may be starting to retrench.

Like the tax increase, the reduction Congress has ordered in the President's budget has not yet had serious impact. But this also is where you can look for some slowdown in demand.

And we can expect more of a slowdown when we look ahead to next January, because that is when Social Security taxes again will be deducted from paychecks--and at a higher rate than the first part of this year.

My guess is that the combination of the 10 per cent surtax and a resumption of Social Security withholding at increased rates may well have an adverse impact on consumer spending and on business generally.

To guard against a possible recession, the Federal Reserve Board recently relaxed curbs on money and credit. And this probably averted a downturn. The economy now--in this fall period--is on the upbeat.

But the rapid monetary expansion we have seen may be encouraging a new spurt of inflation. With costs and prices rising 4 to 6 per cent a year, there is danger that the inflationary trend will be intensified.

(more)



What about political impact?

If Lyndon Johnson were running for reelection, I would take a different view of the economic outlook than I do. I would expect the easy money policy to continue.

Because the President is not a candidate for reelection, I look for a shift to a less easy money policy in Washington due to the continuing danger of inflation.

As a result, I believe the economy's growth in the near future will be a bit slower and probably bumpier--hopefully, with a receding of inflationary pressures.

This will be a small price to pay if, in the process, we manage to restore balance to the economy without running into even a mild recession.

\* \* \*

Who will become the 37th President of the United States next Jan. 20?

The answer to that question means much to American business...and to all Americans.

In my view, both Richard Nixon and Hubert Humphrey can be considered friendly to business. Yet their business-oriented actions in office would be sharply different.

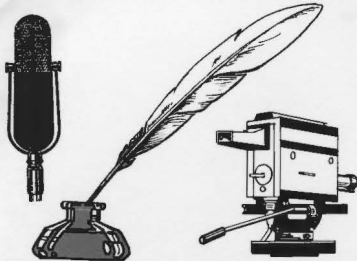
Richard Nixon believes in fair and equal treatment for labor and management.

He also believes that the federal government--the taxpayers, if you will--can ill-afford the kind of Marshall Plan for the cities envisaged by Hubert Humphrey. Instead, Mr. Nixon would place new responsibilities on business to help solve the problems of the cities. He would persuade businessmen to enter into a partnership with the federal government in an attack on slummism and the evils it spawns. And to encourage this new "cities industry," a Nixon Administration would offer tax credits as an incentive for business and industry to train and hire the hard-core unemployed, build new plants in the inner city and build housing that low-income families can afford.

If we are to use government funds to lift up our underprivileged citizens and ultimately make tax payers out of tax eaters, let's do it in a healthy way...the way that promises to build individual pride, respect and a sense of independence. The reason most Americans stand so tall among the citizens of the world is that they have always stood on their own two legs.

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