The original documents are located in Box D24, folder "Panel Discussion on "The 1968 Issues and the Retailers' Role", 33rd Annual Meeting of the American Retail Federation, Washington, DC, May 7, 1968" of the Ford Congressional Papers: Press Secretary and Speech File at the Gerald R. Ford Presidential Library.

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PANEL DISCUSSION ON "THE 1968 ISSUES AND THE RETAILERS' ROLE" AT THE 33 ANNUAL MEETING OF THE AMERICAN RETAIL FEDERATION AT 10 A.M. TUESDAY, MAY 7, 1968, HOTEL AMERICA, WASH., D.C.

THIS IS AN EXCITING YEAR IN

AMERICAN POLITICAL HISTORY. IT IS A CRUCIAL

YEAR FOR THE AMERICAN PEOPLE. IT IS A YEAR IN

WHICH THE ISSUES ARE MORE IMPORTANT THAN

POLITICAL PERSONALITIES.

AMERICA TODAY IS AT A CROSSROADS.

APART FROM VIETNAM--WHERE PRESIDENT JOHNSON IS ENGAGED IN A KIND OF DISENGAGEMENT--THERE ARE VITAL DECISIONS TO BE MADE. THESE DECISIONS INVOLVE FAR MORE THAN A DEGREE OF DIFFERENCE. THEY GO TO THE BASIC POLITICAL PHILOSOPHY OF EVERY INDIVIDUAL AMERICAN.

THE BASIC ISSUES IN THE BROADEST
SENSE ARE PERSONAL INVOLVEMENT, PERSONAL
INCENTIVE, INDIVIDUAL RIGHTS AND RESPONSIBILITIES
AND FAITH IN THE FREE ENTERPRISE SYSTEM. THESE

BROAD ISSUES TRANSLATE INTO SUCH SPECIFIC
ISSUES AS INFLATION AND THE RESTORATION OF
RELATIVE PRICE STABILITY, THE RESTORATION AND
PRESERVATION OF THE RULE OF LAW, AND GENUINE
PROGRESS WITH EQUAL JUSTICE AND EQUAL OPPORTUNITY
FOR ALL AMERICANS.

WHEN I SPEAK OF PERSONAL INVOLVE-MENT, I AM NOT TALKING ABOUT RADICAL STUDENTS TAKING OVER UNIVERSITY BUILDINGS AND CREATING ANARCHY AND VIOLENT TURMOIL ON COLLEGE CAMPUSES BECAUSE THEY OBJECT TO THE SITE FOR A NEW COLLEGE GYMNASIUM. I THINK STUDENTS WHO TAKE OVER UNIVERSITY BUILDINGS SHOULD BE DEALT WITH FIRMLY, FAIRLY, AND WITH THIS REMINDER --STUDENTS ARE IN SCHOOL FOR AN EDUCATION, ADMINISTRATIONS MUST ADMINISTER AND THE TAXPAYERS AND ALUMNI DONORS CANNOT BE EXPECTED TO PROVIDE FUNDS FOR FACILITIES AND A CURRICULUM IF THE RESULT IS ORGANIZED CHAOS OR DELIBERATE VIOLATION OF THE LAW.

EVERY AMERICAN SHOULD CARE WHAT
HAPPENS TO EVERY OTHER AMERICAN. EVERY AMERICAN
SHOULD BECOME INVOLVED IN A RESPONSIBLE,
CONCERNED WAY IN MOVING THIS COUNTRY AHEAD
THROUGH THE TRADITIONAL DEMOCRATIC PROCESS--AND
THE PROCESS OF HELPING OTHERS TO HELP THEMSELVES.

TODAY THERE IS A DANGER IN THIS
COUNTRY THAT ANYONE WHO WANTS PROGRESS WILL
BEGIN TO BELIEVE THE ONLY WAY TO GET IT IS TO
TEAR UP THE COUNTRY. IT IS NOT WISE SIMPLY TO
DISMISS THE MILITANT AND THE VIOLENT BY LABELING
THEM AS RADICALS AND LEFTISTS AND SAYING THEY
OUGHT TO BE LOCKED UP.

TO THE EXTENT THAT THEY VIOLATE THE LAW, THEY SHOULD BE PUNISHED. BUT THEIR ACTIONS SAY SOMETHING TO ALL OTHER AMERICANS, TOO. THAT SOMETHING IS THAT WE SHOULD ALL BECOME INVOLVED. WE SHOULD ALL HELP TO SOLVE THE PROBLEMS THAT EXIST IN THIS COUNTRY--AND THEY ARE MANY.

THE KEY TO SOLVING THIS NATION S
PROBLEMS IS PERSONAL INVOLVEMENT. UNFORTUNATELY,
AMERICANS FOR YEARS HAVE TURNED THEIR AFFAIRS
ALMOST COMPLETELY OVER TO THE FEDERAL
BUREAUCRACY AND THE RESULT HAS BEEN CONFUSION
AND NEAR-CHAOS INSTEAD OF THE SOLUTIONS SO
DEVOUTLY DESIRED.

THE FEDERAL GOVERNMENT DOES HAVE A BIG ROLE TO PLAY IN THE LIVES OF THE AMERICAN PEOPLE. BUT THAT ROLE SHOULD BE PRIMARILY ONE OF IDENTIFYING THE PROBLEMS OF THE PEOPLE AND PROVIDING THE GUIDELINES AND THE INCENTIVE NEEDED TO SOLVE THEM.

THERE ARE SOME PROBLEMS WHICH
REQUIRE DIRECT GOVERNMENTAL ACTION AND A DIRECT
APPROPRIATION AND EXPENDITURE OF TAX DOLLARS.
THIS IS NOT TRUE OF ALL OUR PROBLEMS. AND IT IS
NOT TRUE THAT THE FEDERAL GOVERNMENT ALONE CAN
SOLVE OUR PROBLEMS.

THE FEDERAL GOVERNMENT TODAY IS

OVERCOMMITTED AT HOME AND ABROAD. WE ARE FACED WITH A FISCAL CRISIS WHICH DEMANDS--ABSOLUTELY REQUIRES -- RETRENCHMENT IN FEDERAL SPENDING.

PRESIDENT JOHNSON DOES NOT WANT TO RETRENCH. HE SAYS HE WOULD ONLY RELUCTANTLY ACCEPT A \$4 BILLION REDUCTION IN THE FISCAL 1969 SPENDING HE HAS PROPOSED -- SPENDING WHICH EXCEEDS CURRENT FISCAL YEAR OUTLAYS BY MORE THAN \$10 BILLION. AND HE WOULD ACCEPT THE \$4 BILLION CUT ONLY TO WIN PASSAGE OF HIS 10 PER CENT INCREASE IN PERSONAL AND CORPORATE INCOME TAX BILLS.

ABOUT AN INCOME TAX INCREASE NOW IF THE PRESIDENT HAD BEEN WILLING TO HOLD DOWN FEDERAL SPENDING BEGINNING IN EARLY 1965 WHEN THE FIRES OF INFLATION BEGAN RAGING IN THIS COUNTRY. THE JOHNSON-HUMPHREY ADMINISTRATION IS DIRECTLY RESPONSIBLE FOR THE INFLATION THAT HAS BEEN PLAGUING US SINCE LATE 1965 BECAUSE THE

ADMINISTRATION INSISTED IN 1966 ON EXCESSIVE
SPENDING THAT STIMULATED AN ALREADY OVER-HEATED
ECONOMY.

TO COME BACK TO THE PRESENT, I BELIEVE DEEP CUTS IN PRESIDENT JOHNSON'S FISCAL 1969 BUDGET WOULD BE MORE EFFECTIVE IN DEALING WITH INFLATION THAN HIS PROPOSED INCOME TAX SURCHARGE. AS FAR AS INFLATION IS CONCERNED, THE TMPACT OF THE INCOME TAX INCREASE WOULD BE LARGELY PSYCHOLOGICAL -- BOTH AT HOME AND ABROAD. THE TAXPAYER WOULD FEEL IT IN HIS POCKETBOOK AND IT WOULD HURT -- BUT THE EFFECT OF THE SURCHARGE ON THE ECONOMY WOULD BE GRADUAL I THINK LYNDON JOHNSON WANTS THE SURCHARGE

(PLAY-MATE)

PRIMARILY TO PLACATE THE CENTRAL BANKERS OF EUROPE.

TAXES ARE LIKE LEECHES. ONCE THEY
ARE PUT INTO PLACE, IT IS DIFFICULT TO DISLODGE
THEM. THEY BECOME THE VEHICLE FOR GREATER
GOVERNMENT SPENDING. IF THERE IS AN INCOME TAX

INCREASE THIS YEAR IT MUST BE <u>TEMPORARY</u> -- WITH A DEFINITE EXPIRATION DATE.

THERE ARE THOSE WHO SAY IT IS RIDICULOUS TO BE HOLDING BACK ON FEDERAL SPENDING. WE SHOULD -- THEY SAY -- BE POURING ADDITIONAL BILLIONS OF DOLLARS INTO THE PROBLEMS OF THE CITIES AND BE PREPARED TO RAISE TAXES AS NECESSARY TO CARRY THE ADDITIONAL BURDEN THIS IS THE WRONG APPROACH. WE HAVE ALREADY SPENT UNBELIEVABLY HUGE SUMS ON THE PROB-LEMS OF THE CITIES BY THE TRADITIONAL METHOD --AND WITH MEAGER RESULTS IN TERMS OF THE INVESTMENT. ANY BUSINESSMAN WHO INVESTED LARGE AMOUNTS IN AN ENTERPRISE AND GOT THAT KIND OF RESULTS WOULD WRITE IT OFF AS A BAD MISTAKE. OF COURSE WE CAN'T WRITE OFF THE CITIES. THE SICKNESS OF THE CITIES HAS

CITIES. THE SICKNESS OF THE CITIES HAS
INFECTED ALL OF AMERICA. IT IS REFLECTED IN
THE BREAKDOWN OF LAW AND ORDER IN THIS COUNTRY.
IF THE CITIES DIE, ALL AMERICANS WILL BE AFFECTED

PRESCRIBING THE WRONG KIND OF MEDICINE FOR WHAT AILS THE CITIES. WE HAVE BEEN POURING BILLIONS INTO PROJECTS WITHOUT HELPING PEOPLE. WE HAVE BEEN SPENDING BILLIONS ON PROJECTS WHICH HAVE DISPLACED MORE PEOPLE THAN THEY HAVE HOUSED. AND THE MODEL CITIES PROGRAM, AS IT APPEARS TO BE DEVELOPING, IS MORE OF THE SAME -- ONLY ON A MUCH LARGER SCALE.

WHAT THIS NATION DESPERATELY NEEDS
IS AN INVESTMENT IN PEOPLE -- A HUMAN RENEWAL
PROGRAM. THE KEY ELEMENTS ARE JOBS, BETTER
EDUCATION, AND BETTER HOUSING. AND THE WAY TO
GET A HUMAN RENEWAL PROGRAM MOVING IS THROUGH A
PARTNERSHIP OF GOVERNMENT AND BUSINESS.

THE DEMOCRATIC PARTY WOULD TAX YOU MORE AND SPEND MORE ON TRADITIONAL MANPOWER TRAINING PROGRAMS. THE CHIEF TROUBLE WITH SUCH GOVERNMENT TRAINING PROGRAMS IS THAT THERE MIGHT NOT BE A JOB AT THE END OF THE LINE.

THE REPUBLICAN PARTY WOULD PROVIDE INDUSTRY WITH A TAX CREDIT FOR INVESTING IN HUMAN BEINGS. THIS TAX CREDIT WOULD OFFSET THE EXTRAORDINARILY HIGH EXPENSES OF TRAINING THE HARD-CORE UNEMPLOYED AND THE UNDEREMPLOYED. BUT THEY WOULD BE TRAINED FOR JOBS THEY KNOW THEY WOULD GET.

THIS IS THE FREE ENTERPRISE SYSTEM WE ARE TALKING ABOUT WHAT MAKES PEOPLE TICK. WE ARE TALKING ABOUT PERSONAL INCENTIVE. PEOPLE HAVE TO BE ABLE TO SEE A GOAL IF THEY ARE TO WORK TOWARD THAT GOAL. THERE HAS TO BE A PRIZE AT THE FINISH LINE. IT ADDS UP TO THE DESIRE TO GET AHEAD.

ANOTHER NAME FOR IT IS PROFIT -- IN
THE SENSE THAT IT PROFITS A MAN TO TRAIN FOR A
JOB IF HE KNOWS THE JOB WILL BE THERE WHEN HE'S
READY FOR IT.

THIS KIND OF AN INVESTMENT IN HUMAN BEINGS -- A NATIONWIDE ON-THE-JOB TRAINING

PROGRAM LAUNCHED AND FED BY THE INCENTIVE OF
FEDERAL TAX CREDITS -- WOULD GO A LONG WAY
TOWARD RESTORING AND PRESERVING LAW AND ORDER IN
THIS COUNTRY. UNLESS A MAN IS DEDICATED TO
OVERTHROW OF HIS GOVERNMENT BY FORCE, HE WILL
NOT CONTINUE TEARING UP A COUNTRY IN WHICH HE
HAS A STAKE.

REPUBLICANS ALSO BELIEVE THEIR

LEGISLATION TO ESTABLISH A NATIONAL HOME

OWNERSHIP FOUNDATION WOULD BE A BUILDING BLOCK

IN A NEW AMERICA WHERE LAW AND ORDER WOULD

PREVAIL. OUR PROPOSED HOME OWNERSHIP FOUNDATION

WOULD NOT ONLY PROVIDE LOW-INCOME FAMILIES WITH

MORTGAGE FUNDS BUT WOULD TEACH THEM HOW TO

BUDGET AND HOW TO RUN THEIR HOMES.

WHAT IS THE BUSINESSMAN'S ROLE IN
THESE UNDERTAKINGS? IT IS VITALLY IMPORTANT
TODAY THAT BUSINESS MAKE THE PUBLIC BUSINESS ITS
OWN BUSINESS. GOVERNMENT ALONE CANNOT SOLVE
THE NATION'S PROBLEMS. THE CITIES CANNOT BE RUN

FROM WASHINGTON.

EVERY AMERICAN -- AND ESPECIALLY

AMERICA'S BUSINESSMEN -- MUST BECOME PERSONALLY

INVOLVED IF THE HUMAN RENEWAL PROGRAM IS TO

WORK. AND IF IT DOESN'T WORK, I SHUDDER TO

THINK WHAT AMERICA'S FUTURE MAY BE.

-END-

Remarks by Rep. Gerald R. Ford, House Republican Leader, as participant in a panel discussion on "The 1968 Issues and the Retailers' Role" at the 33rd annual meeting of the American Retail Federation at 10 a.m. Tuesday, May 7, 1968, at the Hotel America, Washington, D. C.

For Release in Tuesday PM's

This is an exciting year in American political history. It is a crucial year for the American people. It is a year in which the issues are more important than political personalities.

America today is at a crossroads. Apart from Vietnam--where President

Johnson is engaged in a kind of disengagement--there are vital decisions to be made.

These decisions involve far more than a degree of difference. They go to the basic political philosophy of every individual American.

The basic issues in the broadest sense are personal involvement, personal incentive, individual rights and responsibilities, and faith in the free enterprise system. These broad issues translate into such specific issues as inflation and the restoration of relative price stability, the restoration and preservation of the rule of law, and genuine progress with equal justice and equal opportunity for all Americans.

When I speak of personal involvement, I am not talking about radical students taking over university buildings and creating anarchy and violent turmoil on college campuses because they object to the site for a new college gymnasium. I think students who take over university buildings should be dealt with firmly, fairly, and with this reminder--students are in school for an education, administrators must administer and the taxpayers and alumni donors cannot be expected to provide funds for facilities and a curriculum if the result is organized chaos or deliberate violation of the law.

Every American should care what happens to every other American. Every

American should become involved in a responsible, concerned way in moving this

country ahead through the traditional democratic process--and the process of helping

others to help themselves.

Today there is a danger in this country that anyone who wants progress will begin to believe the only way to get it is to tear up the country. It is not wise simply to dismiss the militant and the violent by labeling them as radicals and leftists and saying they ought to be locked up.

(more)

To the extent that they violate the law, they should be punished. But their actions say something to all other Americans, too. That something is that we should all become involved. We should all help to solve the problems that exist in this country—and they are many.

The key to solving this Nation's problems is personal involvement.

Unfortunately, Americans for years have turned their affairs almost completely over to the federal bureaucracy and the result has been confusion and near-chaos instead of the solutions so devoutly desired.

The federal government does have a big role to play in the lives of the American people. But that role should be primarily one of identifying the problems of the people and providing the guidelines and the incentive needed to solve them.

There are some problems which require direct governmental action and a direct appropriation and expenditure of tax dollars. This is not true of all our problems.

The federal government today is overcommitted at home and abroad. We are faced with a fiscal crisis which demands--absolutely requires--retrenchment in federal spending.

President Johnson does not want to retrench. He says he would only reluctantly accept a \$4 billion reduction in the fiscal 1969 spending he has proposed--spending which exceeds current fiscal year outlays by more than \$10 billion. And he would accept the \$4 billion cut only to win passage of his 10 per cent increase in personal and corporate income tax bills.

I submit we would not even be talking about an income tax increase now if the President had been willing to hold down federal spending beginning in early 1966 when the fires of inflation began raging in this country. The Johnson-Humphrey Administration is directly responsible for the inflation that has been plaguing us since late 1965 because the Administration insisted in 1966 on excessive spending that stimulated an already over-heated economy.

To come back to the present, I believe deep cuts in President Johnson's fiscal 1969 budget would be more effective in dealing with inflation than his proposed income tax surcharge. As far as inflation is concerned, the impact of the income tax increase would be largely psychological—both at home and abroad. The taxpayer would feel it in his pocketbook and it would hurt—but the effect of the surcharge on the economy would be gradual. I think Lyndon Johnson wants the surcharge primarily to placate the central bankers of Europe.

Taxes are like leeches. Once they are put into place, it is difficult to dislodge them. They become the vehicle for greater government spending. If there is an income tax increase this year it must be <u>temporary</u>--with a definite expiration date.

There are those who say it is ridiculous to be holding back on federal spending. We should—they say— be pouring additional billions of dollars into the problems of the cities and be prepared to raise taxes as necessary to carry the additional burden.

This is the wrong approach. We have already spent unbelievably huge sums on the problems of the cities by the traditional method--and with meager results in terms of the investment. Any businessman who invested large amounts in an enterprise and got that kind of results would write it off as a bad mistake.

Of course we can't write off the cities. The sickness of the cities has infected all of America. It is reflected in the breakdown of law and order in this country. If the cities die, all Americans will be affected.

I contend that we have been prescribing the wrong kind of medicine for what ails the cities. We have been pouring billions into projects without helping people. We have been spending billions on projects which have displaced more people than they have housed. And the Model Cities program, as it appears to be developing, is more of the same--only on a much larger scale.

What this Nation desperately needs is an investment in people--a human renewal program. The key elements are jobs, better education, and better housing. And the way to get a human renewal program moving is through a partnership of government and business.

The Democratic Party would tax you more and spend more on traditional manpower training programs. The chief trouble with such government training programs is that there might not be a job at the end of the line.

The Republican Party would provide industry with a tax credit for investing in human beings. This tax credit would offset the extraordinarily high expenses of training the hard-core unemployed and the underemployed. But they would be trained for jobs they know they would get.

This is the free enterprise system we are talking about. We are talking about what makes people tick. We are talking about personal incentive. People have to be able to see a goal if they are to work toward that goal. There has to be a prize at the finish line. It adds up to the desire to get ahead.

Another name for it is profit -- in the sense that it profits a man to train for a job if he knows the job will be there when he's ready for it.

This kind of an investment in human beings--a nationwide on-the-job training program launched and fed by the incentive of federal tax credits--would go a long way toward restoring and preserving law and order in this country. Unless a man is dedicated to overthrow of his government by force, he will not continue tearing up a country in which he has a stake.

Republicans also believe their legislation to establish a National Home

Ownership Foundation would be a building block in a New America where law and

order would prevail. Our proposed Home Ownership Foundation would not only provide

low-income families with mortgage funds but would teach them how to budget and how

to run their homes.

What is the businessman's role in these undertakings? It is vitally important today that business make the public business its own business. Government alone cannot solve the Nation's problems. The cities cannot be run from Washington.

Every American--and especially America's businessmen--must become personally involved--if the human renewal program is to work. And if it doesn't work, I shudder to think what America's future may be.

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