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BEFORE THE ECONOMIC CLUB OF NEW YORK  
WEDNESDAY EVENING. JAN. 15. 1969. AT THE  
WALDORF ASTORIA HOTEL. NEW YORK. N.Y.

*I don't know whether it was by happenstance & design - That on the program with Mr. Annunzio there is a Ford from Michigan. Although not of the same family as the better known Michigan Fords.*  
I AM DELIGHTED TO BE HERE. I AM

TOLD THAT BEING INVITED TO SPEAK TO THIS GROUP IS A ONCE-IN-A-LIFETIME OPPORTUNITY. I SHALL TRY TO MAKE THE MOST OF IT.

IT HAS BEEN SUGGESTED TO ME THAT I SHOULD SEEK TO IMPART SOME NEW KNOWLEDGE FROM MY SOMEWHAT SPECIALIZED SEGMENT OF OUR SOCIETY TO THE <sup>distinguished</sup> MEMBERS OF THIS <sup>organization.</sup> FORUM.

THAT IS A CHALLENGE I HOPE TO MEET.

*lawyers & other specialists.*  
YOU ARE BUSINESSMEN. I AM A <sup>Proud to be a member of the greatest legislative body in the world - the House of Reps - the Peoples House.</sup> POLITICIAN. I CAN HARDLY TELL YOU ANYTHING NEW ABOUT ECONOMICS, SINCE THAT IS YOUR FIELD OF EXPERTISE. SO ALTHOUGH YOURS IS A NON-PARTISAN FORUM, I HAD BETTER DEAL IN MY SPECIALTY -- POLITICS. *or a replay of the months before Nov 5. Not partisan, but rather a glimpse of what I see down the road from the vantage of the Capital.*

WHILE I WILL BE SPEAKING TO YOU AS A REPUBLICAN LEADER OF THE HOUSE OF REPRESENTATIVES, THE MESSAGE I BRING YOU INVOLVES EVERY MAN AND WOMAN IN AMERICA -- DEMOCRATS AND INDEPENDENTS AS WELL AS REPUBLICANS.

A FRIEND OF MINE HAS URGED ME TO ADDRESS MYSELF TONIGHT TO WHAT HE CALLS "THE REPUBLICAN CHALLENGE," THE TASK THAT CONFRONTS THE GRAND OLD PARTY NOW THAT A REPUBLICAN HAS BEEN ASSIGNED TO THE BIG CHAIR IN THE WHITE HOUSE.

IN LOOKING OVER THE PROBLEMS THAT FACE US AS A NATION AND A PEOPLE, I SEE FAR MORE THAN A REPUBLICAN CHALLENGE. I SEE A CHALLENGE TO EACH AND EVERY ONE OF US. IN MY VIEW, THE VERY SURVIVAL OF AMERICA HANGS ON WHAT WE DO OR DO NOT DO AS A PEOPLE IN THE NEXT FEW YEARS.

I COULD BE SPEAKING ABOUT THE

THREAT OF NUCLEAR WAR. I DO NOT DO SO /  
ALTHOUGH THE DANGER IS REAL ENOUGH. I AM  
TALKING ABOUT THAT COMPLEX OF PROBLEMS  
KNOWN AS THE URBAN CRISIS -- THE PROBLEMS  
OF THE CITY -- / SLUMMISM AND HARD-CORE  
UNEMPLOYMENT / - RACIAL HOSTILITY AND  
SMOLDERING HATRED.

THIS IS ONLY ONE ITEM IN THE  
CATALOG OF PROBLEMS FACING THE NEW  
ADMINISTRATION. BUT IT IS PROBABLY THE  
CRISIS MOST DIFFICULT OF RESOLUTION.

THERE ARE, OF COURSE, A HOST OF  
OBJECTIVES WHICH THE NIXON ADMINISTRATION  
MUST SET OUT TO ACHIEVE: TO END THE  
VIETNAM WAR, / TO AVOID FUTURE VIETNAMS AND  
TO AVERT A NUCLEAR WAR, / TO RESTORE BALANCE  
TO THE ECONOMY WHILE MAINTAINING A HEALTHY  
RATE OF ECONOMIC GROWTH, / TO ESTABLISH  
RELATIVE PRICE STABILITY, / TO HELP MAKE  
PRODUCTIVE CITIZENS OF THE HARD-CORE

UNEMPLOYED, / AND TO BRING PEACE TO OUR RIOT-TORN LAND.

IN A SENSE, MOST OF THESE PROBLEMS ARE INTER-RELATED AND IMPINGE UPON EACH OTHER.

AN END TO THE VIETNAM WAR WOULD HELP US SOLVE OUR DOMESTIC PROBLEMS. A VICTORY OVER INFLATION, ALTHOUGH SLOW-BY-SLOW, WOULD EASE THE SQUEEZE ON THE LOW-INCOME GROUP. A HEALTHY ECONOMY IS A REQUISITE FOR ANY CONCERTED ATTACK UPON THE URBAN CRISIS -- CREATION OF NEW JOBS AND LARGE-SCALE TRAINING OF THE HARD-CORE UNEMPLOYED. AND PEACE WILL COME / TO OUR EMBATTLED NEIGHBORHOODS ONLY WHEN THE DEPRIVED GAIN A STAKE IN AMERICA, A STAKE *and must not lose* THEY DON'T WANT TO LOSE BY TEARING OUR COUNTRY DOWN *Through unwise leadership or emotional over-reaction.*

~~[I DON'T THINK]~~ <sup>not</sup> THE HORRENDOUS PROBLEMS WE FACE SHOULD FRIGHTEN US. WE

CAN SOLVE THEM OVER TIME IF WE DO NOT  
BECOME TOO IMPATIENT / OR ALLOW OURSELVES  
TO BE OVERWHELMED. WE CAN SOLVE OUR  
PROBLEMS IF EVERY AMERICAN, INCLUDING THE MEN  
IN THIS ROOM, WILL PITCH IN AND HELP -- NOW.

THE TIME BETWEEN NATIONAL  
ADMINISTRATIONS IS NATURALLY A TIME OF  
REFLECTION, / A TIME OF REAPPRAISAL, / A REVIEW  
OF TASKS LEFT UNDONE.

TONIGHT I WOULD LIKE TO SHARE  
WITH YOU MY THOUGHTS DURING THIS INTERIM  
PERIOD WHEN AN OLD ADMINISTRATION IS PACKING  
UP AND MOVING OUT / AND A NEW ADMINISTRATION  
IS BEING BORN.

PERHAPS VIETNAM IS UPPERMOST IN  
THE MINDS OF MOST AMERICANS, AND SO I WILL  
BEGIN THERE.

I HAVE BEEN PROFOUNDLY IMPRESSED  
WITH THE CONCEPTS ADVANCED BY DR. HENRY A.  
KISSINGER, PRESIDENT-ELECT NIXON'S CHIEF

FOREIGN POLICY ADVISER, ON HOW TO PROCEED WITH THE NEGOTIATIONS IN PARIS. HIS PROPOSAL / THAT HANOI AND WASHINGTON DISCUSS MUTUAL TROOP WITHDRAWAL AND RELATED SUBJECTS WHILE SAIGON AND THE NATIONAL LIBERATION FRONT TALK ABOUT THE INTERNAL STRUCTURE OF SOUTH VIETNAM APPEARS TO ME TO BE <sup>a most</sup> ~~THE ONLY~~ LOGICAL BASIS FOR ENDING THE VIETNAM WAR AND ACHIEVING A DURABLE PEACE.

FOR TECHNICAL REASONS IN DEALING WITH THE ENEMY / AND FOR DOMESTIC REASONS -- NOT TO RAISE FALSE HOPES OR BRING SAD DISARRAY-- WE SHOULD SET NO <sup>arbitrary</sup> VIETNAM DEADLINES FOR THE NIXON ADMINISTRATION. TO DO SO WOULD BE UNREALISTIC. IMPATIENCE WILL NOT WIN THE PEACE.

WE HAVE ALREADY SEEN HOW HANOI HAS SOUGHT TO EXPLOIT THE PRESENT ~~ADMINISTRATION'S~~ PUBLIC IMPATIENCE WITH



SOUTH VIETNAM. HANOI IS EMPLOYING THE SPLIT BETWEEN WASHINGTON AND SAIGON AS AN INSTRUMENT OF POLITICAL WARFARE.

WE MUST PATIENTLY AND AFFIRMATIVELY PURSUE A NEGOTIATED SETTLEMENT OF THE VIETNAM WAR, USING THE DOUBLE-TRACK METHOD SUGGESTED BY DR. KISSINGER. MEANTIME WE MUST ENGAGE MORE VIGOROUSLY IN THE "OTHER WAR" -- THE WAR OF PACIFICATION IN THE HAMLETS OF SOUTH VIETNAM. WE MUST PROVIDE SECURITY IN THE HAMLETS AND INSIST UPON ECONOMIC, /POLITICAL/ AND SOCIAL PROGRESS IN SOUTH VIETNAM. WE CAN WIN THE PEACE ONLY IF THE SOUTH VIETNAMESE PEASANT CASTS HIS LOT AND HIS LOYALTY WITH THE GOVERNMENT IN SAIGON.

THE WORLD BUBBLES WITH TROUBLE. THE MIDEAST SEETHES WITH THE MAKINGS OF A NEW ALL-OUT ISRAELI-ARAB WAR. A WAR THAT WOULD POSE <sup>far</sup> GREATER DANGER OF A U.S.-SOVIET

CONFRONTATION THAN THE CONFLICT OF JUNE 1967.  
IT MAY BE THAT THIS <sup>potential</sup> DANGER WILL HELP TO  
PRODUCE AN ARAB-ISRAELI SETTLEMENT. MY  
POINT IS THAT THE LEADERS OF THE SOVIET  
UNION SHOULD BE AS ANXIOUS AS WE ARE TO  
AVOID A HEAD-ON U.S.-SOVIET CLASH IN THE  
MIDDLE EAST.

REGRETTABLY, THE SOVIET LEADERS  
APPARENTLY WANT TURMOIL SHORT OF AN EAST-WEST  
CONFRONTATION OR/AN IMPOSED SETTLEMENT --  
FOUR-~~POWER~~ OR OTHERWISE -- THAT IS  
SUBSTANTIALLY BENEFICIAL TO THEMSELVES AND  
THE NEW-FOUND MEDITERRANEAN <sup>friends</sup> ~~ALLIES~~.

BUT ALL IS NOT DARK ON THE WORLD  
SCENE. THERE ARE SOME HOPEFUL SIGNS. GOOD  
PROSPECTS FOR THE RENEWAL OF U.S.-SOVIET  
ARMS CONTROL TALKS. A REOPENING OF U.S.  
TALKS WITH RED CHINA AT WARSAW ON FEB. 20,  
THE FIRST CONVERSATIONS BETWEEN THE TWO  
NATIONS IN 13 MONTHS AND PERHAPS THE

<sup>meaningful</sup>  
BEGINNING OF A DIALOGUE.

MR. NIXON HAS SAID HIS ADMINISTRATION WILL SEEK NEGOTIATIONS AND NOT CONFRONTATION. I THINK HE WILL MAKE THE MOST OF EVERY OPPORTUNITY TO PROMOTE WORLD PEACE. HE WILL SEEK TO STRENGTHEN OUR NATO ALLIES AND TO IMPROVE OUR RELATIONS WITH GEN. De GAULLE. I BELIEVE MR. NIXON AS PRESIDENT WILL BE NUMBERED AMONG THE PEACEMAKERS.

ON THE DOMESTIC SCENE THE GREATEST PROBLEM IS INFLATION, APART FROM THE URBAN CRISIS.

DURING 1968 THE AMERICAN PEOPLE WITNESSED THE SHARPEST INCREASE IN THE COST OF LIVING IN 17 YEARS.— 4.8%.

THERE IS SOME REASON TO BELIEVE THAT INFLATIONARY PRESSURES WILL EASE UP IN THE FIRST HALF OF THIS YEAR. THE OUTGOING ADMINISTRATION TELLS US THAT THE 1968-69

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*an anticipated surplus of \$2.4 billion. Quite a switch from last years deficit of \$24.5.*

BUDGET WILL BALANCE, DUE TO THE 10 PER CENT SURTAX AND THE \$6 BILLION SPENDING CUTBACK ORDERED BY CONGRESS. AND THERE MAY BE A SMALL SURPLUS IN FISCAL 1970, *now forecast to be \$3.4* -- IF THE SURTAX IS CONTINUED FOR A YEAR BEYOND JUNE 30, 1969. IT IS IMPORTANT TO NOTE, TOO, THAT THE SOCIAL SECURITY TAX INCREASE WHICH BECAME EFFECTIVE LAST JAN. 1 WILL TAKE ABOUT \$3 BILLION OUT OF CIRCULATION/ AND THAT THE FEDERAL RESERVE BOARD RECENTLY TOOK ACTION ON THE MONETARY FRONT.

BUT THESE FACTORS IN THEMSELVES ARE NOT ENOUGH. THE AMERICAN PEOPLE CURRENTLY ARE INFECTED WITH INFLATION FEVER *This is understandable - in the last 3 years the cost of living has risen 107%*

*However,* THIS INFLATION PSYCHOLOGY MUST BE ERASED. TO DO THAT THE NIXON ADMINISTRATION WILL NEED THE GREATEST POSSIBLE COOPERATION FROM INDUSTRY AND LABOR. COOPERATION AND UNDERSTANDING NOW *unhealthy* MIGHT AVOID AN ECONOMIC WRENCH AS WE MOVE DOWN THE ROAD.

AS FOR THE NEW ADMINISTRATION ITSELF, I FEEL CERTAIN IT WILL SET AN EXAMPLE OF RESTRAINT FOR THE NATION. IN MY VIEW, TIGHT, RESPONSIBLE CONTROL OVER FEDERAL SPENDING AND A SORTING OUT OF PRIORITIES MUST BE THE ORDER OF THE DAY IF THIS COUNTRY IS TO AVOID STILL SHARPER INFLATION, /A CONTINUED WORSENING OF ITS TRADE POSITION, /AND FURTHER DEFICITS IN THE BALANCE OF PAYMENTS.

WE KNOW THAT BUILT-IN INCREASES ARE GOING TO PUSH UP FEDERAL SPENDING IN FISCAL 1970 BY \$7 TO \$10 BILLION. BUT I CAN ASSURE YOU /THERE WILL BE NO *& 2 emphasize* NO PROLIFERATION OF FEDERAL SPENDING PROGRAMS. INSTEAD YOU CAN EXPECT TO SEE CONSOLIDATION AND IMPROVEMENT OF EXISTING PROGRAMS AND, IN TIME, A RESTRUCTURING OF <sup>*some*</sup> FEDERAL DEPARTMENTS.

DICK NIXON <sup>*among other projects*</sup> IS ANXIOUS TO

STREAMLINE THE FEDERAL GOVERNMENT. HE WILL  
MOVE TO DO SO ON A "CRASH" BASIS, <sup>if given the necessary legislative authority,</sup> THIS  
MEANS THE CONGRESS MUST ACT QUICKLY TO GIVE  
MR. NIXON THE SAME REORGANIZATIONAL  
AUTHORITY ENJOYED BY PRESIDENTS TRUMAN,  
EISENHOWER, KENNEDY AND JOHNSON BEFORE HIM.

*Such legislation was an outgrowth of the Hoover Commission.*  
THE LAST CONGRESS ALLOWED THE EXECUTIVE  
REORGANIZATION ACT TO EXPIRE LAST DEC. 31.

ONE OF THE FIRST ORDERS OF BUSINESS OF  
THE 91<sup>ST</sup> CONGRESS MUST BE TO EXTEND THE  
REORGANIZATION ACT FOR TWO YEARS. THE  
CUSTOMARY SPAN FOR SUCH AN EXTENSION.

UNDER THE ACT, A REORGANIZATION PLAN SENT  
TO THE CONGRESS BY THE PRESIDENT BECOMES  
LAW IF NOT DISAPPROVED BY ONE OR THE OTHER  
HOUSE OF CONGRESS WITHIN 60 DAYS.

*Well - some higher authorities than I made some comments last night.*  
WHAT ABOUT THE SURTAX. I WOULD *let me*

LIKE TO SEE IT DIE AS OF JUNE 30, BUT  
WHETHER IT EXPIRES WILL DEPEND UPON A  
NUMBER OF CONTINGENCIES BETWEEN NOW AND THE

*add, however, several personal observations.*

END OF THIS FISCAL YEAR *which is June 30<sup>th</sup>*.

IF I WERE MAKING THE LONGRANGE DECISIONS IN A SIZABLE CORPORATION, I WOULD NOT BET THAT THE SURTAX WILL BE ALLOWED TO EXPIRE. OF COURSE, / THERE ARE A VARIETY OF <sup>*or contingencies*</sup> OPTIONS, <sup>*legislative*</sup> DEPENDING ON CONDITIONS, THAT MAY ARISE.

CONGRESS'S DECISION ON THE SURTAX WILL DEPEND ON WHAT THE WHITE HOUSE AND THE CONGRESS DO IN A HOST OF OTHER POLICY AREAS, / WHAT THE PUBLIC DOES IN THE AREAS OF SPENDING AND SAVING, / WHAT LABOR AND MANAGEMENT DO IN THEIR NEGOTIATIONS, / AND WHAT THE COMMUNIST ENEMY DOES IN MAKING CURRENT AND LONGRANGE INTERNATIONAL POLICY DECISIONS.

DICK NIXON IS VITALLY INTERESTED IN IMPROVING THE HEALTH OF THE ECONOMY. AND IT MAY BE THAT INFLATIONARY PRESSURES WILL DEMAND THAT THE SURTAX BE EXTENDED BEYOND

MID-YEAR 1969 IN THE INTERESTS OF A  
HEALTHY ECONOMY.

IN SHORT, AS FAR AS MR. NIXON AND  
THE CONGRESS ARE CONCERNED, THE SURTAX  
DECISION CANNOT BE <sup>*if we are honest & realistic*</sup> MADE NOW. WE WILL BE  
TAKING REGULAR READINGS ON THE STATE OF THE  
ECONOMY BEFORE MAKING A DEFINITIVE JUDGMENT  
ON THE SURTAX.

WHILE I AM CRYSTAL BALL-GAZING,  
I WILL PREDICT THAT THE NIXON ADMINISTRATION  
WILL MOVE VERY QUICKLY TO BOLSTER THE FORCES  
OF LAW AND ORDER IN A CONCERTED CAMPAIGN  
TO COUNTER THE SWIFT RISE IN CRIME.

" NO-NONSENSE " RECOMMENDATIONS FROM THE NIXON  
TASK FORCE ON CRIME WILL CREATE THE PROPER  
ATMOSPHERE FOR DEALING WITH CRIME DURING  
THE NEXT FOUR YEARS. *Bail reform*  
*Rehabilitation*  
*Anti-crime funding* / *Prosecution*  
*Judges + Courts*  
NOWHERE IS THE NEED TO TAKE MASSIVE  
COUNTER-MEASURES AGAINST CRIME MORE URGENT  
THAN IN WASHINGTON, D.C.. THE NATION'S



CAPITAL. IN THIS COMMUNITY WHICH SHOULD BE A MODEL FOR THE REST OF THE NATION, ARMED ROBBERIES ARE OCCURRING AT THE RATE OF 20 A DAY. IN THE FIRST 11 DAYS OF THIS YEAR, 11 MURDERS <sup>including 2 F.B.I. agents</sup> WERE COMMITTED AND EIGHT BANKING INSTITUTIONS WERE ROBBED. I LOOK FOR POSITIVE MEASURES BY THE NIXON ADMINISTRATION TO BREAK THIS MOUNTING WAVE OF CRIME. *But it does need help from the Courts - city case.*

I HAVE TOUCHED ON ONLY PART OF THE AGENDA, ONLY A PIECE OF THE CHALLENGE THAT FACES ALL AMERICANS AS WE STAND FIVE DAYS AWAY FROM NEW NATIONAL LEADERSHIP.

I CAN ASSURE YOU THERE WILL BE FRESH INITIATIVE SHOWN AT 1600 PENNSYLVANIA AVENUE. NOT A HECTIC FIRST HUNDRED DAYS BUT A SOLID PROGRAM AIMED AT BRINGING THE AMERICAN PEOPLE TOGETHER AND MOVING US FORWARD AS A NATION.

ENDING THE VIETNAM WAR WILL HAVE

TOP PRIORITY.

ON CAPITOL HILL THERE ~~[ALSO]~~ WILL  
BE INNOVATIVE ACTIVITY. SINCE THE  
DEMOCRATIC PARTY WILL CONTROL BOTH HOUSES  
OF CONGRESS, ITS LEADERS <sup>understandably</sup> WILL AIM TO MAKE  
A RECORD FOR THEIR PARTY. ON THE OTHER HAND,  
THE REPUBLICAN LEADERSHIP IN THE CONGRESS  
WILL PRESS FOR CONGRESSIONAL APPROVAL OF  
NIXON ADMINISTRATION MEASURES. WE ALSO  
WILL ADVANCE PROPOSALS WHICH HOUSE  
REPUBLICANS HAVE BEEN PUSHING IN RECENT  
YEARS WITHOUT COMPLETE SUCCESS. <sup>As you can imagine the odds have</sup> ~~WHAT~~ <sup>been</sup> WITH <sup>against</sup>  
THE OPPOSITION BEING IN CONTROL OF THE  
WHITE HOUSE AS WELL AS THE CONGRESS.

MY HOUSE REPUBLICAN COLLEAGUES  
AND I WILL PRESS FOR ELECTORAL COLLEGE  
REFORM, / TAX REVISION, / CLEAN ELECTIONS  
LEGISLATION, / CONGRESSIONAL REORGANIZATION  
WITH A VIEW TO MODERNIZING AND STRENGTHENING  
THE CONGRESS, / REFORM OF THE FOREIGN AID

PROGRAM, / BLOCK GRANTS AND REVENUE SHARING, /  
REFORM OF THE WELFARE SYSTEM, / IMPROVEMENT  
OF EXISTING METHODS FOR HANDLING NATIONAL  
EMERGENCY STRIKES, / FAIR PRICES AND FULL AND  
FAIR OPPORTUNITY FOR THE FARMER, /  
REVITALIZATION OF THE MERCHANT MARINE, /  
STRENGTHENING OF LOCAL SCHOOL SYSTEMS, / A  
MASSIVE ATTACK ON AIR AND WATER POLLUTION, /  
AND A MARSHALLING OF FORCES IN THE PRIVATE  
SECTOR TO HELP GOVERNMENT MEET AND DEAL  
ADEQUATELY WITH THE URBAN CRISIS.

IT IS MY EXPECTATION AND HOPE THAT  
THE HEART OF THE NIXON PROGRAM WILL BE THE  
USE OF TAX CREDITS TO ENLIST INDUSTRY IN A  
NATIONWIDE ATTACK ON HARD-CORE JOBLESSNESS, /  
UNDEREMPLOYMENT, / SLUM HOUSING AND POVERTY.

THERE IS BIPARTISAN SUPPORT FOR  
THE USE OF TAX INCENTIVES TO ACHIEVE SOCIAL  
OBJECTIVES. *Treasury Department Officials Unwillingly raise many objections - my answer INVEST THEM*  
I PERSONALLY WILL DEDICATE MYSELF  
TO ENACTMENT OF SUCH TAX CREDIT LEGISLATION *on*  
*a broader basis.*

I BELIEVE IN IT. I BELIEVE IT WILL WORK.

AT THE OUTSET I ASK ONLY THAT CONGRESS GIVE FULL AND FAIR HEARINGS TO NIXON ADMINISTRATION PROPOSALS IN THE TAX CREDIT FIELD.

I SEE THE ENACTMENT OF A TAX CREDIT FOR ON-THE-JOB TRAINING IN INDUSTRY AS MOST URGENT. I KNOW OF NOBODY WHO WOULD DISPUTE THE ARGUMENT THAT INDUSTRY IS THE BEST TEACHER OF SKILLS. [IN THIS COUNTRY.]

SUCH A PROGRAM WOULD COST LESS AND ENLIST GREATER KNOW-HOW THAN THE DIRECT GOVERNMENT APPROACH AND IT SURELY WOULD BE MORE EFFECTIVE IN SOLVING THE PROBLEMS OF HARD-CORE UNEMPLOYMENT AND UNDEREMPLOYMENT.

I AM NOT SAYING IT WOULD BE CHEAP. *but a two-pronged approach seems far better than an expansion of the traditional federal gov't dominated solution.*  
IT IS ALSO VITALLY NECESSARY THAT THE CONGRESS OFFER INDUSTRY TAX INCENTIVES TO LOCATE NEW PLANTS IN POVERTY AREAS.

THOUSANDS OF NEW NEGRO ENTREPRENEURS

ARE CREATING CHANGES IN THE GHETTO. BUT THE SMALL BUSINESSMAN IS NOT THE ANSWER TO THE GHETTO'S ECONOMIC WOES. ONLY BIG BUSINESS CAN PROVIDE "CORE CITY RESIDENTS" WITH THE MASSIVE JOB OPPORTUNITIES THAT ARE THE BEGINNING POINT FOR SOLVING A NUMBER OF GHETTO PROBLEMS.

I APPLAUD THE RISE OF THE NEGRO CAPITALIST AND PROMOTER. BUT THE PRIMARY GOAL SHOULD BE JOBS FOR THE HARD-CORE UNEMPLOYED AND BETTER JOBS FOR THE INNER CITY'S UNDEREMPLOYED. AND ONLY BIG BUSINESS -- THE BIGGER THE BETTER -- CAN PROVIDE THESE JOBS.

SO TODAY I URGE THE LEADERS OF INDUSTRY TO BECOME <sup>greater</sup> PARTNERS FOR PROGRESS WITH FEDERAL, LOCAL AND STATE GOVERNMENTS.

I AM FULLY AWARE OF THE TREMENDOUS CONTRIBUTION BEING MADE BY THE NATIONAL ALLIANCE OF BUSINESSMEN IN THE FIELD

OF EMPLOYMENT. WE SHOULD PROVIDE EVERY POSSIBLE BIT OF SUPPORT FOR THE ~~NAB~~ AND FOR JOHN GARDNER'S URBAN COALITION.

I KNOW THAT COMPANIES LIKE BELL TELEPHONE, BURROUGHS, IBM, THE AUTOMOBILE MANUFACTURERS AND OTHERS HAVE RECRUITED AND ARE TRAINING THE HARD-CORE UNEMPLOYED -- WITHOUT SPECIAL TAX INCENTIVES. BUT THIS EFFORT REALLY IS A FRACTION OF WHAT IS NEEDED. FAR MORE NEEDS TO BE DONE.

BUSINESSMEN THROUGHOUT THE COUNTRY MUST DEVELOP A BURNING SOCIAL CONSCIENCE, AND THE CONGRESS MUST HELP THEM BECOME INVOLVED IN THE SOLUTION OF OUR SOCIAL PROBLEMS.

I AM NOT SAYING THAT BUSINESS ALONE CAN RESOLVE THE URBAN CRISIS. BUT I AM SAYING/THAT GOVERNMENT ALONE CANNOT DO IT. WE IN GOVERNMENT NEED YOUR LEADERSHIP, YOUR

CAPITAL AND MORE IMPORTANTLY YOUR KNOW-HOW.

WE NEED THE DEEP INVOLVEMENT OF THE BUSINESS COMMUNITY CLEAR ACROSS THE COUNTRY. AND TAX CREDITS ARE A BASIC TO THAT INVOLVEMENT.

ALREADY FORMIDABLE OPPOSITION TO THE USE OF TAX INCENTIVES FOR SOCIAL PURPOSES HAS ARISEN IN THE CONGRESS. WE WHO BELIEVE IN THIS APPROACH NEED YOUR HELP. WE MUST MEET AND RESOLVE THE URBAN CRISIS. EITHER WE SUCCEED AS A PEOPLE UNDER OUR SYSTEM OF FREE ENTERPRISE AND OUR FORM OF GOVERNMENT OR WE WILL PERISH AS A NATION. IF OUR CITIES DIE, AMERICA WILL DIE.

WE ARE MET HERE AT A TIME OF GREAT CHALLENGE AND EQUALLY GREAT OPPORTUNITY.

WE ARE FACE-TO-FACE WITH THE CHALLENGE. LET US NOW SEIZE THE OPPORTUNITY -- THE OPPORTUNITY TO WIN THE INVOLVEMENT OF THE ALIENATED CITIZENS OF THE CORE CITIES, /

THE OPPORTUNITY TO MAKE<sup>^</sup> PRODUCTIVE PEOPLE  
~~OF THEM~~, THE OPPORTUNITY TO SAVE THE CITIES  
AND THUS SAVE THE NATION.

WITH THE ELECTION OF A NEW  
PRESIDENT, WE HAVE AN OPPORTUNITY TO SWING  
AMERICA AROUND AND USE THE DYNAMIC THRUST  
OF THE FREE ENTERPRISE SYSTEM TO PROPEL US  
TOWARD NEW GREATNESS. ~~AS A PEOPLE~~

WITHOUT YOUR HELP AND THAT OF OTHER  
CONCERNED AMERICANS, OUR NEW PRESIDENT CAN  
DO LITTLE. WITH THE HELP OF THE PEOPLE,  
HE CANNOT FAIL.

LET US ALL RISE TO THE CHALLENGE. /  
LET US LAY ASIDE CONFLICTING POLITICAL  
LOYALTIES AND DEDICATE OURSELVES TO THE  
BUILDING OF A NEW AND BETTER AMERICA.

I HOPEFULLY SEE AN EARLY END TO THE  
ERA OF RIOTS AND THE BEGINNING OF AN ERA OF  
RECONCILIATION AND RECONSTRUCTION.

THIS WILL COME AS SURELY AS THE



DAWN OF A NEW DAY IF WE HEED THE WISE  
WORDS OF PLUTARCH, WHO SAID:

"PERSEVERANCE IS MORE PREVAILING  
THAN VIOLENCE; AND MANY THINGS WHICH CANNOT  
BE OVERCOME WHEN THEY ARE TAKEN TOGETHER YIELD  
THEMSELVES WHEN TAKEN LITTLE BY LITTLE."

TOGETHER WE SHALL PERSEVERE. AND  
TOGETHER WE SHALL PREVAIL. THANK YOU.

-- END --

*M Office Copy*

AN ADDRESS BY REP. GERALD R. FORD, R-MICH.  
MINORITY LEADER, U.S. HOUSE OF REPRESENTATIVES  
BEFORE THE ECONOMIC CLUB OF NEW YORK  
WEDNESDAY EVENING  
JANUARY 15, 1969  
AT THE WALDORF ASTORIA HOTEL, NEW YORK, N.Y.

For release at 6:30 p.m.  
Wednesday, January 15, 1969

I am delighted to be here. I am told that being invited to speak to this group is a once-in-a-lifetime opportunity. I shall try to make the most of it.

It has been suggested to me that I should seek to impart some new knowledge from my somewhat specialized segment of our society to the members of this forum. That is a challenge I hope to meet.

You are businessmen. I am a politician. I can hardly tell you anything new about economics, since that is your field of expertise. So although yours is a non-partisan forum, I had better deal in my specialty -- politics.

While I will be speaking to you as Republican leader of the House of Representatives, the message I bring you involves every man and woman in America -- Democrats and independents as well as Republicans.

A friend of mine has urged me to address myself tonight to what he calls "The Republican Challenge," the task that confronts the Grand Old Party now that a Republican has been assigned to the Big Chair in the White House.

In looking over the problems that face us as a Nation and a people, I see far more than a Republican challenge. I see a challenge to each and every one of us. In my view, the very survival of America hangs on what we do or do not do as a people in the next few years.

I could be speaking about the threat of nuclear war. I do not do so although the danger is real enough. I am talking about that complex of problems known as the urban crisis -- the problems of the city -- slummism and hard-core unemployment -- racial hostility and smoldering hatred.

This is only one item in the catalog of problems facing the new Administration. But it is probably the crisis most difficult of resolution.

There are, of course, a host of objectives which the Nixon Administration must set out to achieve: To end the Vietnam War, to avoid future Vietnams and to avert a nuclear war, to restore balance to the economy while maintaining a healthy rate of economic growth, to establish relative price stability, to help

(more)

make productive citizens of the hard-core unemployed, and to bring peace to our riot-torn land.

In a sense, most of these problems are inter-related and impinge upon each other.

An end to the Vietnam War would help us solve our domestic problems. A victory over inflation, although slow-by-slow, would ease the squeeze on the low-income group. A healthy economy is a requisite for any concerted attack upon the urban crisis -- creation of new jobs and large-scale training of the hard-core unemployed. And peace will come to our embattled neighborhoods only when the deprived gain a stake in America, a stake they don't want to lose by tearing our country down.

I don't think the horrendous problems we face should frighten us. We can solve them over time if we do not become too impatient or allow ourselves to be overwhelmed. We can solve our problems if every American, including the men in this room, will pitch in and help -- now.

The time between national administrations is naturally a time of reflection, a time of reappraisal, a review of tasks left undone.

Tonight I would like to share with you my thoughts during this interim period when an old administration is packing up and moving out and a new administration is being born.

Perhaps Vietnam is uppermost in the minds of most Americans, and so I will begin there.

I have been profoundly impressed with the concepts advanced by Dr. Henry A. Kissinger, President-Elect Nixon's chief foreign policy adviser, on how to proceed with the negotiations in Paris. His proposal that Hanoi and Washington discuss mutual troop withdrawal and related subjects while Saigon and the National Liberation Front talk about the internal structure of South Vietnam appears to me to be the only logical basis for ending the Vietnam War and achieving a durable peace.

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But these factors in themselves are not enough. The American people currently are infected with inflation fever. This inflation psychology must be erased. To do that the Nixon Administration will need the greatest possible cooperation from industry and labor. Cooperation and understanding now might avoid an economic wrench as we move down the road.

As for the new Administration itself, I feel certain it will set an example of restraint for the Nation. In my view, tight responsible control over Federal spending and a sorting out of priorities must be the order of the day if this country is to avoid still sharper inflation, a continued worsening of its trade position, and further deficits in the balance of payments.

We know that built-in increases are going to push up federal spending in fiscal 1970 by \$7 to \$10 billion. But I can assure you there will be no proliferation of federal spending programs. Instead you can expect to see consolidation and improvement of existing programs and, in time, a restructuring of federal departments.

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What about the surtax? I would like to see it die as of June 30, but whether it expires will depend upon a number of contingencies between now and the end of this fiscal year.

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Dick Nixon is vitally interested in improving the health of the economy. And it may be that inflationary pressures will demand that the surtax be extended beyond mid-year 1969 in the interests of a healthy economy.

In short, as far as Mr. Nixon and the Congress are concerned, the surtax decision cannot be made now. We will be taking regular readings on the state of the economy before making a definitive judgment on the surtax.

While I am crystal ball-gazing, I will predict that the Nixon Administration will move very quickly to bolster the forces of law and order in a concerted campaign to counter the swift rise in crime. No-nonsense recommendations from the Nixon task force on crime will create the proper atmosphere for dealing with crime during the next four years.

Nowhere is the need to take massive counter-measures against crime more urgent than in Washington, D.C., the nation's capital. In this community which should be a model for the rest of the nation, armed robberies are occurring at the rate of 20 a day. In the first 11 days of this year, 11 murders were committed and eight banking institutions were robbed. I look for positive measures by the Nixon Administration to break this mounting wave of crime.

I have touched on only part of the agenda, only a piece of the challenge that faces all Americans as we stand five days away from new national leadership.

I can assure you there will be fresh initiative shown at 1600 Pennsylvania Avenue. Not a hectic First Hundred Days but a solid program aimed at bringing the American people together and moving us forward as a Nation.

Ending the Vietnam War will have top priority.

On Capitol Hill there also will be innovative activity. Since the Democratic Party will control both houses of Congress, its leaders will aim to make a record for their party. On the other hand, the Republican leadership in the Congress will press for congressional approval of Nixon Administration measures. We also will advance proposals which House Republicans have been pushing in recent years without complete success, what with the opposition being in control of the White House as well as the Congress.

My House Republican colleagues and I will press for electoral college

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reform, tax revision, clean elections legislation, congressional reorganization with a view to modernizing and strengthening the Congress, reform of the foreign aid program, block grants and revenue sharing, reform of the welfare system, improvement of existing methods for handling national emergency strikes, fair prices and full and fair opportunity for the farmer, revitalization of the merchant marine, strengthening of local school systems, a massive attack on air and water pollution, and a marshalling of forces in the private sector to help government meet and deal adequately with the urban crisis.

It is my expectation and hope that the heart of the Nixon program will be the use of tax credits to enlist industry in a nationwide attack on hard-core joblessness, underemployment, slum housing and poverty.

There is bipartisan support for the use of tax incentives to achieve social objectives. I personally will dedicate myself to enactment of such tax credit legislation. I believe in it. I believe it will work.

At the outset I ask only that Congress give full and fair hearings to Nixon Administration proposals in the tax credit field.

I see the enactment of a tax credit for on-the-job training in industry as most urgent. I know of nobody who would dispute the argument that industry is the best teacher of skills in this country.

Such a program would cost less and enlist greater know-how than the direct government approach and it surely would be more effective in solving the problems of hard-core unemployment and underemployment. I am not saying it would be cheap.

It is also vitally necessary that the Congress offer industry tax incentives to locate new plants in poverty areas.

Thousands of new Negro entrepreneurs are creating changes in the ghetto. But the small businessman is not the answer to the ghetto's economic woes. Only big business can provide core city residents with the massive job opportunities that are the beginning point for solving a number of ghetto problems.

I applaud the rise of the Negro capitalist and promoter. But the primary goal should be jobs for the hard-core unemployed and better jobs for the inner city's underemployed. And only big business -- the bigger the better -- can provide these jobs.

So today I urge the leaders of industry to become partners for progress with federal, local and state governments.

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I am fully aware of the tremendous contribution being made by the National Alliance of Businessmen in the field of employment. We should provide every possible bit of support for the NAB and for John Gardner's Urban Coalition.

I know that companies like Bell Telephone, Burroughs, IBM, the automobile manufacturers and others have recruited and are training the hard-core unemployed -- without special tax incentives. But this effort really is a fraction of what is needed. Far more needs to be done.

Businessmen throughout the country must develop a burning social conscience, and the Congress must help them become involved in the solution of our social problems.

I am not saying that business alone can resolve the urban crisis. But I am saying that government alone cannot do it. We in government need your leadership, your capital and more importantly your know-how.

We need the deep involvement of the business community clear across the country. And tax credits are a basic to that involvement.

Already formidable opposition to the use of tax incentives for social purposes has arisen in the Congress. We who believe in this approach need your help. We must meet and resolve the urban crisis. Either we succeed as a people under our system of free enterprise and our form of government or we will perish as a Nation. If our cities die, America will die.

We are met here at a time of great challenge and equally great opportunity.

We are face-to-face with the challenge. Let us now seize the opportunity -- the opportunity to win the involvement of the alienated citizens of the core cities, the opportunity to make productive people of them, the opportunity to save the cities and thus save the Nation.

With the election of a new President, we have an opportunity to swing America around and use the dynamic thrust of the free enterprise system to propel us toward new greatness as a people.

Without your help and that of other concerned Americans, our new President can do little. With the help of the people, he cannot fail.

Let us all rise to the challenge. Let us lay aside conflicting political loyalties and dedicate ourselves to the building of a new and better America.

I hopefully see an early end to the era of riots and the beginning of an era of reconciliation and reconstruction.

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This will come as surely as the dawn of a new day if we heed the wise words of Plutarch, who said:

"Perseverance is more prevailing than violence; and many things which cannot be overcome when they are taken together yield themselves when taken little by little."

Together we shall persevere, and together we shall prevail. Thank you.

# # #

*Official*

AN ADDRESS BY REP. GERALD R. FORD, R-MICH.  
MINORITY LEADER, U.S. HOUSE OF REPRESENTATIVES  
BEFORE THE ECONOMIC CLUB OF NEW YORK  
WEDNESDAY EVENING  
JANUARY 15, 1969  
AT THE WALDORF ASTORIA HOTEL, NEW YORK, N.Y.

For release at 6:30 p.m.  
Wednesday, January 15, 1969

I am delighted to be here. I am told that being invited to speak to this group is a once-in-a-lifetime opportunity. I shall try to make the most of it.

It has been suggested to me that I should seek to impart some new knowledge from my somewhat specialized segment of our society to the members of this forum. That is a challenge I hope to meet.

You are businessmen. I am a politician. I can hardly tell you anything new about economics, since that is your field of expertise. So although yours is a non-partisan forum, I had better deal in my specialty -- politics.

While I will be speaking to you as Republican leader of the House of Representatives, the message I bring you involves every man and woman in America -- Democrats and independents as well as Republicans.

A friend of mine has urged me to address myself tonight to what he calls "The Republican Challenge," the task that confronts the Grand Old Party now that a Republican has been assigned to the Big Chair in the White House.

In looking over the problems that face us as a Nation and a people, I see far more than a Republican challenge. I see a challenge to each and every one of us. In my view, the very survival of America hangs on what we do or do not do as a people in the next few years.

I could be speaking about the threat of nuclear war. I do not do so although the danger is real enough. I am talking about that complex of problems known as the urban crisis -- the problems of the city -- slummism and hard-core unemployment -- racial hostility and smoldering hatred.

This is only one item in the catalog of problems facing the new Administration. But it is probably the crisis most difficult of resolution.

There are, of course, a host of objectives which the Nixon Administration must set out to achieve: To end the Vietnam War, to avoid future Vietnams and to avert a nuclear war, to restore balance to the economy while maintaining a healthy rate of economic growth, to establish relative price stability, to help

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make productive citizens of the hard-core unemployed, and to bring peace to our riot-torn land.

In a sense, most of these problems are inter-related and impinge upon each other.

An end to the Vietnam War would help us solve our domestic problems. A victory over inflation, although slow-by-slow, would ease the squeeze on the low-income group. A healthy economy is a requisite for any concerted attack upon the urban crisis -- creation of new jobs and large-scale training of the hard-core unemployed. And peace will come to our embattled neighborhoods only when the deprived gain a stake in America, a stake they don't want to lose by tearing our country down.

I don't think the horrendous problems we face should frighten us. We can solve them over time if we do not become too impatient or allow ourselves to be overwhelmed. We can solve our problems if every American, including the men in this room, will pitch in and help -- now.

The time between national administrations is naturally a time of reflection, a time of reappraisal, a review of tasks left undone.

Tonight I would like to share with you my thoughts during this interim period when an old administration is packing up and moving out and a new administration is being born.

Perhaps Vietnam is uppermost in the minds of most Americans, and so I will begin there.

I have been profoundly impressed with the concepts advanced by Dr. Henry A. Kissinger, President-Elect Nixon's chief foreign policy adviser, on how to proceed with the negotiations in Paris. His proposal that Hanoi and Washington discuss mutual troop withdrawal and related subjects while Saigon and the National Liberation Front talk about the internal structure of South Vietnam appears to me to be the only logical basis for ending the Vietnam War and achieving a durable peace.

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