The original documents are located in Box D29, folder “5th Annual Mass Retailing Institute Convention, Washington, DC, May 12, 1970” of the Ford Congressional Papers: Press Secretary and Speech File at the Gerald R. Ford Presidential Library.

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The chief reason I am cautiously optimistic today in spite of some recent explosive developments is that I see some bright prospects ahead -- for retail business and for the Nation generally.

Despite the tense situation among the Nation's young people, I think the country is going to come out all right. I believe there will be a general cooling of emotions because we will achieve our objectives in our sweep of the Cambodian sanctuaries and then withdraw.

Success in the Cambodian sweep will mean that our Vietnam troop withdrawals will continue on schedule and may even be accelerated.

And here at home I look for a moderate upswing in the economy without great risk of reviving inflationary pressures.

Speaking more specifically, I expect a definite uptrend in retail sales in the months ahead while the economy continues adjusting toward relative price stability.

This is not wishful thinking on my part. It is based on a number of factors which are certain to give moderate stimulus to the economy while prices "settle in."

I am speaking primarily of the 15 per cent rise in Social Security benefits which has already gone into effect, the 6 per cent Federal employee pay raise which becomes effective in mid-May, and the strong likelihood of an additional 5 per cent increase in Social Security.

Add these factors to Presidential lifting of the cutback on State and local spending on Federally-assisted construction and the adopting of a less restrictive (more)
Federal Reserve policy on money supply. The effect on the economy is bound to be a quickening.

But let me emphasize this. While there has been an easing of the fiscal and monetary brakes, there has been no abandonment of the fight against inflation. I firmly believe our policy-makers have set a course which will restore real economic growth without generating strong inflationary pressures.

The economic pace is now beginning to quicken, and it is reasonable to expect that business news will make better reading as we move through 1970.

But while we have set the tone for some expansion of the economy, we must pursue a non-inflationary course long enough to restore confidence in the dollar's buying power.

There are some who have criticized the Administration's economic policies because they favor a hard, tough dose of deflation. I don't think this kind of action would make sense. Let us not forget for one minute that the unemployment rate for Negroes is nearly double that for white members of the work force.

Price and wage controls don't make much sense, either. Freezing prices would leave many a businessman with his prices at low levels relative to the prices of his raw materials.

Massive distortion would occur if we attempted to freeze prices and wages. And we must remember that once those ceilings are imposed it is no easy task to eliminate them.

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We can make no more important contribution to our economic and social welfare in the decade of the Seventies than to follow through with this beginning we have made and establish a firm basis for vigorous growth, a dollar in which we can have confidence, and abundant job opportunities for all.
Now, since this talk is in the nature of a report to you from Capitol Hill, I would like to turn to a topic of special interest to all businessmen -- crime. I know that businesses are often the targets of burglars, armed robbers, and other criminals.

Let me say first of all that I believe the courts have become too lenient, allowing many criminals to return to the streets to resume crime careers. As a case in point, an FBI study shows that of 18,000 persons released from custody in 1963, 63 per cent were rearrested within five years.

So we have much work to do in combating crime, and Congress has its task all cut out for it.

How is Congress doing with the 13 anti-crime bills sent to the Hill by President Nixon?

The answer is...only fair. We must hope that the House and Senate committees can speed up their deliberations in the next few months so that a really creditable anti-crime record can be written by the 91st Congress.

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