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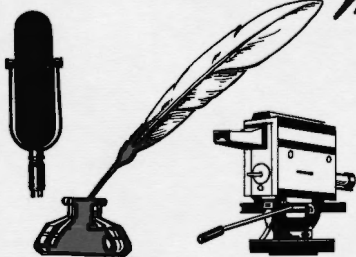
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CONGRESSMAN
GERALD R. FORD
HOUSE REPUBLICAN LEADER

**NEWS
RELEASE**

For Release On Delivery Expected At
11:30 a.m. Monday, October 11, 1971

Excerpts from a Speech by Rep. Gerald R. Ford at the 73rd Annual Convention of the National Association of Retail Druggists at 11:30 a.m. Monday, Oct. 11, 1971, at Rivergate Convention Hall, New Orleans, La.

The free enterprise system has made America the greatest nation in the world and its people the most fortunate.

The free enterprise system has been good for the American people. It has bestowed countless blessings upon them. It is true that these blessings are not equally distributed, but as someone once said: "Capitalism is the unequal distribution of blessings; socialism is the equal distribution of misery."

Most Americans, I am glad to say, are biased. They are biased in favor of the free enterprise system. This is a bias of faith--faith in competitive enterprise, the free market system, the American way of people's capitalism.

The corner drug store is a symbol of the American way. Its rise is a success story. It is a typically American success story.

Of course there are imperfections in the operation of our economic system. And there are times when grave inequities are perpetrated in the name of pure competition.

I refer to the difficulties which have been created for retail pharmacists in connection with prepaid prescription programs under present interpretation of the antitrust laws.

In my view, the antitrust laws should protect independent small professional and business men. But as the prepaid prescription programs now are operating, the antitrust laws militate against the retail pharmacists because they are prevented from collectively expressing their views with regard to prescription fees.

There is no question in my mind that this interpretation of the antitrust laws should be reviewed and relief provided for the retail pharmacist. Whatever is necessary and proper must be done to ensure that the fee paid the retail pharmacist under prepaid programs is fair and reasonable.

As I said earlier, there are imperfections in our economic system. It can

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go badly out of kilter. It was built by men and men can wreck it.

In recent years we have seen our economy careen dangerously toward galloping inflation, suffer under a badly deteriorated balance of payments situation, fare badly in competition with other world traders, develop slack even while prices continued to advance boldly.

Much of our economic woe is, of course, a legacy of war. We have cut 2 million men from our Armed Forces and our defense plant work forces because of our success in winding down the war in Vietnam. And that same war--because this Nation did not raise the taxes to pay for it--produced a near-runaway inflation.

The problems I have briefly sketched demanded action--and act the Administration did.

President Nixon dropped a blockbuster last August 15--his New Economic Policy, with its wage-price freeze, tax cuts for business and consumer, floating of the dollar against other international currencies, and imposition of a 10 per cent surcharge on imports.

We have since witnessed basic price stabilization. Wholesale prices in September posted the biggest decline in five years. And the price of industrial commodities went down for the first time in seven years. Add to that the fact that unemployment went down in September, and the message appears unmistakable. The President's New Economic Policy is working.

On the international front, adjustments are being made and actions taken to set up a new monetary system in which America can compete fairly once again.

The economy generally will feel the sharp stimulus of investment tax credit reinstatement and auto excise tax repeal and is certain to respond with an upward surge and then steady forward progress.

I believe the unemployment rate will drop below 5 per cent by the middle of next year as a result of the President's New Economic Policy.

In brief, the outlook is for strong, steady growth with declining inflation and unemployment and rising profits and stock prices.

Let me say a word about profits. It is absolutely unreasonable and unthinkable for some labor leaders to constantly denounce the Administration for not clamping a lid on profits.

Profits are not high. Business has been caught in a cost-profit squeeze. In 1970, after-tax corporate profits totalled \$41.2 billion, down from \$49.9 billion in 1966. When you figure in the inflation factor, the 1970 figure looks dismal indeed.

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Some labor leaders are completely unrealistic in their attitude toward profits. Theirs is an attitude which if translated into action would kill the goose that lays the golden eggs.

You and I know that profit is the life blood of our economy. Profits create capital, and capital creates jobs.

This is why attacks on President Nixon's New Economic Policy as a bonanza for business are wild and entirely off target. It is also the reason that demands for a freeze on profits are completely unreasoned and unreasoning.

The truth is that profits have been excessively low and should be allowed to rise.

However, we must be on guard to prevent what the President described as "windfall profits" in speaking to the Nation on Phase II of his price-wage stabilization program.

Where profits approach unreasonable highs, such company returns must be translated into lower prices. The day of price cuts must return to America.

As the President emphasized, we need strict price and wage standards in our basic industries. There should be criminal fines for big companies and unions which violate such standards. Those standards should be based on such factors as productivity, the cost of living and production costs.

I am absolutely convinced that this is what the American people want--and when I say the American people I mean the working men and women of America.

The American people want what's best for the country, and they know that the President's New Economic Policy is what's best.

We should, of course, return to free markets and to free collective bargaining as soon as possible. But the economy will have to return to even keel before we can do that. Right now the waters are far too choppy.

And while we deal with our economic problems at home, we must also solve the international monetary and trade tangle.

First of all, there must be a realignment of currency exchange rates; then, a determination of how the U.S. balance of payments can be brought into balance; and finally, a thorough-going reform of the international monetary system and a determination of the future role of the dollar as an international reserve asset.

Naturally we will want to end the 10 per cent import surcharge as soon as possible. But that day cannot and will not arrive until our Big 9 trading partners make the adjustments necessary to bring balance to our trade and international dollar flows.

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Other nations complain about our surcharge but they remain silent about their own border taxes and other restraints on American goods.

What is needed is statesmanship and good citizenship at both the domestic and international levels. If we do not get it, the result will be catastrophic. If we do get it, the result will be a New Prosperity for all.

Let me say a word now about the reductions in personal income tax that are moving through the Congress. The speedup in tax cuts seems certain to produce a rebound in consumer confidence that will be felt throughout the economy. It should result in a new surge of demand for goods and services.

What we are seeing, then, is the most comprehensive economic recovery program ever proposed by an American President--a program that will promote a healthy prosperity with stable prices.

The American people are overwhelmingly behind the President's program.

They are sick to death of those among them who cry, "I don't care what happens as long as I get mine."

They want a return to sanity at the bargaining table.

They want a return to sanity in the market place.

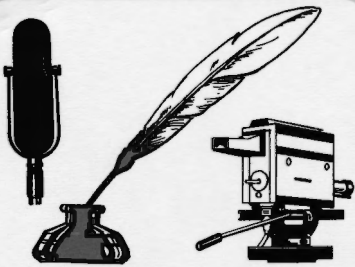
They want the kind of prosperity that only restrained sharing of America's wealth can produce.

Most Americans are fine, decent citizens. They are willing to make temporary sacrifices for the longterm good of the Nation.

This is the kind of spirit that made America great. It is the kind of spirit that will bring us to new greatness in the decade of the Seventies.

The time is now for every American worthy of the name to stand up and be counted.

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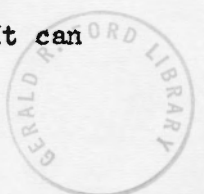
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