

The original documents are located in Box D24, folder “GOP Fund-Raising Dinner, Las Cruces, NM, March 23, 1968” of the Ford Congressional Papers: Press Secretary and Speech File at the Gerald R. Ford Presidential Library.

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DRY CLEANER'S NOTES

I suggest your topic be: "The Issues of 1968--a Republican View."

1. Ask two opposing candidates what the issues are...you get two entirely different answers.
2. The people determine the issues, not the candidates. The issues are always matters of vital concern to the voters.
3. In the ~~the~~ broad sense, there are only two issues--the issue of war and peace both at home and abroad, and the issue of genuine ~~economic~~ economic progress for us all--REAL prosperity

II/DRY CLEAN NOTES

4. All of the issues of 1968 fall under these two broad headings and are inter-related.
5. The major issues ^{as I see them} are riots, crime, inflation and the value of the dollar, taxes and the general health of the economy, and the Vietnam War.
6. We talk of ^{war and} peace at home as well as abroad because some 120 of our cities were ripped by riots in 1967--Detroit suffering the worst.

III/DRY CLEANER NOTES

7. The President has ~~was~~ predicted more of the same in 1968. I don't think it helps to talk as though riots are inevitable. This may encourage rioting. We should prepare for the worst but try to promote the best.

8. We must move on a number of fronts to attack the conditions which breed riots. The chief target should be to train ghetto youths for good-paying jobs and then provide them with jobs with dignity. According to the National Advisory Commission on Civil Disorders, hostility and racial pride

IV/DRY CLEANER ~~NOTES~~ NOTES

~~Factors~~ underlay the riots. This appears to be a valid analysis. We should, then, seek to treat the Negro with dignity and place him through training in a job he can be proud of and thus seek to wipe out ~~the hostility~~ at least some of the hostility between the races.

9. Present government training programs must be supplemented in massive degree by on-the-job training programs in industry. This can be triggered through tax credits for part of the training costs ^{and} through direct subsidy. This is the

V. DRY CLEANER NOTES

kind of action that should have been taken years ago. ~~If~~ ^{if} it had been, we might never have had the riots which since 1965 have resulted in more ~~than~~ than 100 deaths, nearly 2,500 injuries, 7,985 cases of arson, 28,939 arrests, 5,434 convictions, \$210 million in property damage, and \$504 million in estimated economic losses.

10. Smallbusinessmen in areas where riots may break out are naturally concerned about economic loss. There is no excuse for the conditions which breed riots, but neither is there any excuse for riots or criminal activity associated with them.

VI. DRY CLEANER NOTES

11. We must deal firmly with lawbreakers whether they are rioters ~~or~~ or professional criminals. To do less is to encourage widespread lawlessness. We must restore respect for the law in this country. We must restore the rule of law, or we will never again enjoy domestic tranquillity.

12. A general atmosphere of disregard for the law has enveloped this country since ~~1960~~ 1960. It has never been true that the ~~means~~ end justifies the means, ~~because~~ This attitude leads to a complete breakdown of law and order. ~~It~~

VII. DRY CLEANER'S NOTES

This is what has happened in this country in the last four years. A tolerance of civil disobedience has produced a general disregard for the law. This is one of the factors in the tremendous upsurge in crime throughout the Nation.

13. The crime rate, according to official ~~1960~~ FBI figures, has gone up 83 per cent (not 88) since 1960 while the resident population has grown by 11 per cent. This means that ~~the~~ crime has grown ~~nearly~~ nearly eight times ~~the~~ ^{faster than} ~~the~~ population.

VIII. DRY CLEANER'S NOTES

14. Crime prevention and law enforcement are primarily a local function but the federal government can help. Federal help should have been on the way long ~~ago~~ ago but the President has not exhibited the necessary sense of urgency. The House of Representatives passed a Law Enforcement Assistance Act ~~last~~ last year but the President did nothing to push it through the Senate, perhaps because House Republicans amended it in several major respects. ~~We~~ We improved it by providing that local law enforcement efforts be coordinated on the basis of approved state plans. The

IX. DRY CLEANER NOTES

President wanted to funnel the money directly to the cities with the Attorney General deciding who got what and how much. One of the problems in local law enforcement now is ~~lack of~~ overlapping of local jurisdictions and lack of proper coordination. The Republican amendments were designed to ~~be~~ correct this situation. The President's plan~~s~~ would have aggravated ~~these~~ these problems.

15. The federal role in ~~the~~ law enforcement bears directly on organized crime and the syndicates. In that connection, Republicans believe that wiretapping should be permitted under

X. DRY CLEANER NOTES

careful supervision of the courts--~~not~~ only under court order--and only in cases involving major crimes, so-called organized crime. The President would deprive law enforcement agencies of this important tool. He would restrict its use to national security cases. ~~He~~ Republicans think this is a mistake, and we believe the Congress will so decide. Americans should demand that the Senate pass the House-approved Law Enforcement Assistance Act and that both House and Senate approve the use of wire-tapping under court order in cases involving major federal crimes.

XI. DRY CLEANER NOTES

16. Next to riots and ~~the~~ crime, Americans are perhaps most disturbed by inflation and the Vietnam War. The upward push on prices continues, and the debate over a possible increase in the federal ~~the~~ income tax continues. Both related to the Vietnam War~~s~~ but spread far wider.

17. The present inflationary cycle actually began in late 1965 when the Federal Reserve ~~the~~ Board warned the President that price stability was ~~being~~ endangered by overheating of the economy. The board wanted ~~some~~ spending cuts and a tax increase.

XII. DRY CLEANER NOTES

18. Republicans in Congress pressed for a holddown in domestic spending to offset a rise in defense spending for the Vietnam War.

19. Leading economists early in 1966 joined the Fed. Res. Board in urging a tax increase.

20. President J. refused either to hold down domestic spending or to ask for a tax increase. Result: Inflation.

21. When the President talked in January 1967 about the need for a tax increase, the best time for it had passed. The economy went into mini-recession early in 1967, and it

XIII. DRY CLEANER NOTES

was not until August 1967 that the President felt safe in actually placing a tax ~~increase~~ increase before the Congress. By that time, the inflation the country was experiencing had changed in character. In 1966, it was a demand-pull kind of inflation--excessive demand pulling prices upward. ~~By late 1967~~ Meantime ~~the~~ organized labor had won substantial wage increases in ~~some~~ a number of important industries, and the cost of raw materials also had gone up. By late 1967 ~~the~~ U.S. inflation had turned to the cost-push variety--increased production costs exerting an upward push on prices ~~and~~ while profit margins declined dramatically.

XIV. DRY CLEANER NOTES

22. As recently as the end of last year, leading economists were saying ~~that the President should~~ the President should either scale the tax increase request back to 6 per cent from 10 or should forget about it altogether. They foresaw a soft second half for the economy in 1968 and figured a tax increase coming about the middle of the year would be damaging to the economy.

23. Meantime the dollar has come under attack in Europe. Europeans have lost confidence in the dollar. They prefer gold. The ~~the~~ gold pool nations as ~~well as~~ a holding action

XV. DRY CLEANER NOTES

have shut down the London gold market and have adopted a two-price system for gold. This ~~is~~ just buys time for the United States to get its balance of payments situation straightened out.

24. But hope of eliminating the balance of payments deficit condition may be wiped out by rising demands of the Vietnam War and deterioration of our position there since the Communist Tet offensive. In ~~addition~~ other words, any balance of payments savings accomplished through special restrictions on foreign investment and travel may be offset by ~~the~~ spending of additional billions on Vietnam due to

XVI. DRY CLEANER NOTES

increased demands for troops.

24. ~~Domestic programs~~ This Nation faces a situation where sharp belt-tightening is in order on the home front. As a minimum, federal spending on domestic programs should be held to the fiscal 1968 level, not sharply accelerated as the President proposes. The country is faced with the ~~the~~ need for drastic action because more moderate action was not taken beginning with the inflationary upsurge of late 1965 and early 1966. We now are paying for that major mistake.

XVII. DRY CLEANER NOTES

25. In view of the present critical situation in Vietnam and on the international financial scene, I am keeping an open mind on a tax increase. I have been opposed to a tax increase to date because ~~the~~ the first need is to hold down domestic spending rather than load more taxes on ~~individual~~ individual Americans and on ~~our~~ our businessmen. One is tempted to say that it was President J. and the ~~wild~~ wild-spending 89th Congress that got us into this mess; the President and ~~the~~ the Democrats in Congress should get us out of it.

XVIII. DRY CLEANER NOTES

26. For more than three years Republicans have been calling for an austerity program in recognition of the fact that heavy domestic spending coupled with war spending was taking us down the road to financial disaster as a Nation and a people. President Johnson ignored our pleas. Now the President talks of an austerity program. He appears suddenly ~~to~~ to have gotten religion. But we must wait to see just how genuine the conversion is. He is proposing ~~reductions~~ reductions of \$8 or \$9 billions in his budget requests, as I understand it. This may amount to actual spending cuts of

XII. DRY CLEANER NOTES

only \$4 billion or so below the ^{spending} level anticipated by the President for fiscal 1969. The President wants to couple that with his 10 per cent tax surcharge. I would like to see spending ~~cut~~ ^(- by \$8 billion? -) cut more deeply than that, with the possibility that the income tax increase could be avoided altogether. But as I said earlier I am keeping an open mind on the subject of the tax increase.

27. There is always the ~~possibility~~ possibility that the President will ~~so~~ so escalate the Vietnam War that the present cost of about \$30 billion a year could go to \$35 billion or more. We then would have to view the tax increase in that light.

XX. DRY CLEANER NOTES

28. The President appears to have ^{lost} ~~lost~~ hope for a negotiated settlement in Vietnam. He seems to have adopted the idea of achieving military victory. I feel we must regain the initiative in Vietnam because only in that way can we lay the groundwork for ~~negotiated settlement~~ an ~~honorable~~ honorable conclusion of the war. Ending the Vietnam War under conditions which will enable us ~~to~~ ultimately to win the peace should be the first priority of the American people. At the same time we must restore this Nation to fiscal sanity if we are to make real ~~progress~~ progress at home. ~~###~~ (MORE)

DRY CLEANERS...WORK STOPPAGES

The inflation that doomed the boom of 1965-66 has produced a highly volatile labor-management relations and pricing situation. Prices remained relatively stable until ~~late~~ late 1965 when inflationary pressures clearly began to push prices upward and the President's wage-price guidelines began coming ~~apart~~ apart at the seams. The White House ostensibly had been seeking to maintain price stability by insisting that wage increases generally conform with increases in productivity. But the Administration did not ride herd on labor, and the guidelines were violated repeatedly beginning in 1965. Currently we see labor ~~costs~~ costs ~~rising~~

~~XXXXX~~
WORK STOPPAGES...2

rising twice as fast as improvement in productivity (source, Raymond Saulnier). In ~~the~~ fact, this has been going on for two years, with no end in sight. Last year was a banner year for strikes. Major union settlements averaged $5\frac{1}{2}$ per cent a year over the life of the contracts. Several prominent settlements last year exceeded 6 per cent a year.

~~XXXXX~~ Says the President ^{Council of Economic Advisors} in ~~the~~ Economic Report for 1968, ^{then}

"If new union settlements were to average ~~even~~ even higher in 1968 than in 1967, a clear acceleration of price increases would be likely in 1968." (Econ. Rept, p. 125).

WORK STOPPAGES ...#3

The ~~President~~ ^{Council} also notes in ~~the~~ ^{its} Economic Report that "some unions have already taken this figure (6 per cent) as their target to meet or beat in negotiations during 1968." The President's actions in the copper ~~min~~ ^{strike} ~~and other~~ ~~mining strikes~~ indicate he has no intention of seeking improvements in federal laws for the handling of major work stoppages. I believe that if the President had moved to cool off the overheated economy in early 1966 we would not now have the distortions we have in labor ~~costs~~ ^{costs} as related to productivity. ~~The~~ ^{The} latest increase in the

MINIMUM WAGE...1

minimum wage also presents us with a serious problem. The 1967 increase for the most part restored the minimum wage to a more typical relationship with the average wage level in the economy. ^[Economic Report for 1968] But the 1968 increase was a whopping 14 per cent...from ~~\$1.40~~ \$1.40 to \$1.60 an hour. It will have a great impact. There are two aspects to legislating a wage floor. One argument is that this is necessary to ensure the payment of a living wage. Another is that ~~some~~ ~~workers~~ certain workers may be priced right out of the labor market if the minimum is raised without regard to production

MINIMUM WAGE...2

costs. I think that is happening right now..and when it does happen, ~~raising the~~ raising the minimum wage does ~~not~~ ~~do~~ ~~any~~ great ~~is~~ harm to our marginal workers, those without any special skills. We should instead concentrate on upgrading ~~our~~ workers so they will actually be worth more and thus can earn a better living on their own merits. It ~~is~~ just makes sense that if the minimum wage is raised to an artificially high level in relation to other wages and productivity, ~~employers will look for a way out and~~ a lot of people will get hurt.###



CONGRESSMAN
GERALD R. FORD
HOUSE REPUBLICAN LEADER

**NEWS
RELEASE**

--FOR RELEASE AT 6:30 P.M. MT. TIME--
March 23, 1968

Excerpts from a Speech by House Republican Leader Gerald R. Ford, R-Mich., at a GOP Fund-Raising Dinner Saturday evening, March 23, 1968, at Las Cruces, N.M.

Recent events have greatly improved Republican chances for a smashing victory in November.

The Republican Party will go into the 1968 election campaign more united than perhaps ever before in its history.

This is a good omen. This is one of the necessary ingredients for a broad-scale Republican victory. This enlarges the opportunity Republicans have to win the White House, take control of the U.S. House of Representatives and to make substantial gains in the U.S. Senate.

Great victories will be ours if we do everything possible to capitalize on our favorable position.

Our prospects are bright because the American people are becoming convinced of the fact that the Republican Party is best equipped to end the war and win the peace both at home and abroad, and to restore genuine prosperity in this Nation.

Our outlook is good because if you flip the coin over you see that the Democratic Party has failed the American people on almost every one of the basic promises it made in 1960 and 1964.

The Democratic Party has failed the young men who were promised they would never be sent to do the job Asian boys should be doing.

The Democratic Party has failed the farmer who was promised his fair share of the fruits of the American economy.

The Democratic Party has failed the consumer who was promised price stability

The Democratic Party has failed the worker who was promised increased purchasing power.

In sum, the Democratic Party has failed all of the American people on all of the counts that add up to peace and real prosperity.

Postmaster General Larry O'Brien, who will be masterminding Lyndon Johnson's reelection campaign, recently said the President will seek reelection on the basis of his record. That is wonderful news.

Let's look at that record and tell it like it is--not as the Johnson-Humphrey Administration would like people to believe.

(more)

If we tell it like it is we see that the Johnson-Humphrey Administration has brought us a constant and continuing deterioration of the dollar, some of the highest interest rates in a hundred years, a spiraling crime rate that has made streets of fear of our city pavements, a breakdown of law and order which has made nearly every major American city the seedbed for racial riot and a potential war between the races, price inflation and cost inflation that make special victims of the pensioner and the farmer while hurting every American, strikes that have threatened the Nation's health, education and welfare as Americans tried to catch up with Johnson-Humphrey inflation, inflation that wipes out the worker's wage gains, massive and repeated federal deficits that cause other nations to view the dollar with distrust, a gold outflow that threatens to drain away our entire gold stock, moves to restrict the freedom of Americans to travel and to invest abroad, a limited war fought in a way that is pointing toward unlimited disaster, stalemate in Vietnam, humiliation at the hands of North Korea, the distrust of both Israelis and Arabs because of our non-policy in the Middle East, drift in Europe and a sundering of the once-strong ties that bound NATO together, danger that the Soviet Union will upset the balance of power throughout the world and surpass us in nuclear capability.

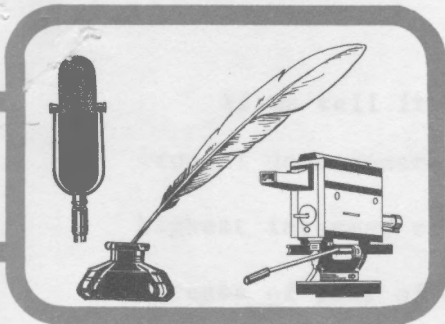
That is a long list...and there's more. Kind of leaves you breathless, doesn't it? It should leave the Administration speechless.

But this Administration, from the President on down, has been doing plenty of talking in the past four years--and that's on the record, too. That record is one of serious misjudgments both on the war and the home front, misleading statements if not deliberate distortions, and direct contradictions.

The farmer has been caught squarely in the middle as the Johnson-Freeman Administration has tried to put the best possible face on its mistakes.

We all remember when the Johnson-Freeman Administration made the farmer the scapegoat of inflation in 1966. Republicans know that never before have our farmers produced so much and been paid so little for it. We know that Johnson-Freeman Administration policies forced the Nation's farmers to take a \$1½ billion pay cut this past year while increased profits to the middlemen and the handlers pushed food prices upward.

The message I bring you tonight is that no country, no matter how rich or powerful, can follow the Johnson-Freeman-Humphrey path of continuous inflation without inviting financial disaster. I invite America to follow Republicans on the road to genuine prosperity and peace.



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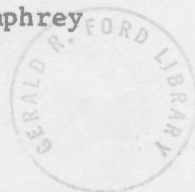
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