

The original documents are located in Box D26, folder “Traffic Club of Pittsburgh, Pittsburgh, PA, January 23, 1969” of the Ford Congressional Papers: Press Secretary and Speech File at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. The Council donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

TRAFFIC CLUB OF PITTSBURGH, PITTSBURGH,
PA., THURSDAY EVENING, JAN. 23, 1969.

"THE CHALLENGE AND THE OPPORTUNITY"

I AM DELIGHTED TO BE HERE. AS YOU KNOW, EVERY MAN'S LIFE IS ALTERNATELY FILLED WITH PLEASURES AND DUTIES. MY APPEARANCE HERE IS A PLEASURABLE BREAK IN MY OFFICIAL ROUTINE, WHICH CONTAINS MORE DUTIES THAN I CARE TO CONTEMPLATE.

THE OTHER DAY I RAN ACROSS THIS DEFINITION OF DUTY: "DUTY IS WHAT THE NORMAL MAN LOOKS FORWARD TO WITH DISTASTE, DOES WITH RELUCTANCE, AND BOASTS ABOUT FOREVER AFTER."

A FRIEND OF MINE HAS SUGGESTED THAT MY TOPIC TONIGHT BE "TRANSPORTATION." I SHALL DISCUSS TRANSPORTATION PROBLEMS TO

SOME EXTENT. BUT TO DISCOURSE ON THEM
IN GREAT DETAIL WOULD BE PRESUMPTUOUS OF
ME, SPEAKING AS I AM TO AN AUDIENCE WHICH
INCLUDES EXPERTS IN THE TRANSPORTATION
FIELD.

ALLOW ME TO SURVEY, ^{as I see the picture} THE BROAD
SWEEP OF ~~THE~~ PROBLEMS THAT FACE US AS A
NATION AND A PEOPLE.

IN DOING SO I SEE A CHALLENGE --
A CHALLENGE NOT ONLY TO THE NEW NIXON
ADMINISTRATION AND TO THE CONGRESS OF THE
UNITED STATES, BUT TO EACH AND EVERY
CITIZEN OF THIS GREAT REPUBLIC OF OURS. FOR
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 ^{to a considerable degree} THE URBAN CRISIS -- THE

PROBLEMS OF THE CITY -- SLUMMISM AND HARD-CORE
UNEMPLOYMENT -- RACIAL HOSTILITY AND

SMOLDERING HATRED. *I can honestly say - all have*

some relationship to transportation + its many ramifications.
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
IS SETTING 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.

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.

VIETNAM STANDS AT THE TOP OF OUR
PROBLEM LIST, AND THE NIXON ADMINISTRATION
HAS OF COURSE ASSIGNED IT NO. 1 PRIORITY.

FINALLY WE SEE THE BEGINNINGS OF
A VIETNAM SOLUTION. THE TABLE PROBLEM AT
PARIS HAS BEEN SOLVED, AND ON SATURDAY WE
START THE PROCESS ^{to a substantive solution} WHICH MAY LEAD TO MUTUAL
WITHDRAWAL OF AMERICAN AND NORTH VIETNAMESE
TROOPS FROM SOUTH VIETNAM AND A POLITICAL
SETTLEMENT BETWEEN SAIGON AND THE NATIONAL
LIBERATION FRONT.

AS YOU MAY KNOW, THE NIXON
ADMINISTRATION INTERVENED DIRECTLY WITH THE
SOUTH VIETNAMESE GOVERNMENT TO URGE THE TABLE
COMPROMISE WHICH HAS OPENED THE WAY TO PEACE

The first leadership meeting at the White House

TALKS OF SUBSTANCE.

THE HASSLE OVER THE FORM OF THE TABLE SEEMED RIDICULOUS TO MOST AMERICANS. THE RESOLVING OF THE QUESTION CONSTITUTES A BREAKTHROUGH -- A TURNING OF THE CORNER TOWARD PEACE.

I CAN ASSURE YOU PRESIDENT NIXON WILL PURSUE THE PEACE TALKS WITH ENERGY AND SKILL. HIS ADMINISTRATION IS DETERMINED TO FIND A COMPROMISE WHICH WILL END THE KILLING IN VIETNAM AS QUICKLY AS POSSIBLE, WITH HONOR AND PERMANENCE.

IN THE MIDEAST, TROUBLE CONTINUES TO BUBBLE. BUT THERE IS REASON TO HOPE FOR A SOLUTION ACCEPTABLE TO BOTH ISRAEL AND THE ARAB NATIONS. THAT HOPE RESTS ON THE FACT THAT THE DANGER OF A HEAD-ON CLASH BETWEEN THE UNITED STATES AND THE SOVIET UNION IN THE MIDEAST IS SO ACUTE AS TO THREATEN NUCLEAR WAR. THIS VERY DANGER,

SHOCKING AS IT IS, SHOULD HELP TO PRODUCE
AN ARAB-ISRAELI SETTLEMENT SIMPLY BECAUSE
THE ALTERNATIVE IS TOO TERRIFYING TO
CONTEMPLATE. THE DANGER OF WHICH I SPEAK
HAS PRODUCED A FLURRY OF DIPLOMATIC
ACTIVITY ON THE PART OF THE RUSSIANS,//AND
CONCESSIONS ARE BEING HINTED AT IN CAIRO.

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
BEGINNING OF A DIALOGUE.

MR. NIXON HAS SAID HIS
ADMINISTRATION WILL SEEK NEGOTIATIONS AND
NOT CONFRONTATION. 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. DeGAULLE. 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.

THERE IS SOME REASON TO BELIEVE
THAT INFLATIONARY PRESSURES WILL EASE UP
IN THE FIRST HALF OF THIS YEAR. THE OLD
ADMINISTRATION HAS TOLD US THAT THE 1968-69
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 -- 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 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. *Such as we've seen
for the past
few
years.*
INSTEAD YOU CAN EXPECT TO SEE CONSOLIDATION
AND IMPROVEMENT OF EXISTING PROGRAMS AND,
IN TIME, A RESTRUCTURING OF FEDERAL
DEPARTMENTS.

~~PRESIDENT~~ NIXON IS ANXIOUS TO
STREAMLINE THE FEDERAL GOVERNMENT. HE WILL
MOVE TO DO SO ON A "CRASH" BASIS. 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.

THE LAST CONGRESS ALLOWED THE EXECUTIVE REORGANIZATION ACT **TO** EXPIRE LAST DEC. 31. ONE OF THE FIRST ORDERS OF BUSINESS OF THE 91ST 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.

Such legislative authority on the first instance - 1949 - was an outgrowth of the 1st Hoover Commission.

WHAT ABOUT THE SURTAX? PRESIDENT

NIXON AND MR. JOHNSON HAVE TOLD THE NATION THAT UNDER EXISTING CIRCUMSTANCES THE SURTAX SHOULD BE EXTENDED FOR A YEAR BEYOND JUNE 30. THEY SAID WHAT NEEDED TO BE SAID AND SHOULD HAVE BEEN SAID AT THIS TIME. BUT MR. NIXON DID NOT, OF COURSE, EXCLUDE THE POSSIBILITY THAT THE JUDGMENT MADE IN JANUARY MAY JUSTIFIABLY BE MODIFIED IN APRIL OR MAY.

either by the President or the Congress

IN SHORT, THE FINAL DECISION ON THE SURTAX CANNOT AND SHOULD NOT BE MADE NOW. THE FINAL JUDGMENT WILL DEPEND ON VIETNAM AND ON THE STATE OF THE ECONOMY IN SPRING OR EARLY SUMMER. IT WILL DEPEND ON WHAT THE WHITE HOUSE AND THE CONGRESS DO IN A HOST OF POLICY AREAS, WHAT THE PUBLIC DOES ON SPENDING AND SAVING, WHAT LABOR AND MANAGEMENT DO IN THEIR NEGOTIATIONS, AND WHAT THE COMMUNIST ENEMY DOES IN MAKING CURRENT AND LONGRANGE DECISIONS.

I HAVE TOUCHED ON ONLY PART OF THE AGENDA, ONLY A PIECE OF THE CHALLENGE THAT FACES THE NATION AS WE MOVE INTO A NEW ERA WITH A NEW ADMINISTRATION.

I CAN TELL 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.

AS FOR MY HOUSE REPUBLICAN COLLEAGUES AND ME, WE WILL PRESS FOR ELECTORAL COLLEGE REFORM, TAX REVISION, CLEAN ELECTIONS LEGISLATION, CONGRESSIONAL REORGANIZATION TO MODERNIZE AND STRENGTHEN THE CONGRESS, REFORM OF THE FOREIGN AID PROGRAM, BLOCK GRANTS AND -- ULTIMATELY -- PERCENTAGE SHARING OF FEDERAL REVENUE WITH THE CITIES AND STATES, 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.

WHAT ABOUT THE FIELD OF
TRANSPORTATION? THERE ARE PROMISING
DEVELOPMENTS THERE -- AND I AM NOT TALKING
ABOUT THE ASTRONAUTS' SPECTACULARLY
SUCCESSFUL TRIP TO THE MOON. I LOOK FOR
GREAT LEADERSHIP FROM THE NEW SECRETARY
OF TRANSPORTATION, JOHN VOLPE. AND THERE
IS GREAT POTENTIAL IN THE NEW TURBO-TRAINS.

THERE ARE ALSO SERIOUS PROBLEMS,
OF COURSE. *But, I feel confident that with a will, both in
& out of government + the "know-how" of transportation experts the solution can
be found.*
WE CURRENTLY FACE A SAFETY CRISIS
IN AIR TRANSPORTATION. TO SOLVE THAT
CRISIS WILL REQUIRE NEW AND IMAGINATIVE
SOLUTIONS -- NEW AND ADDITIONAL EQUIPMENT,
MODERN FACILITIES, AND AN EXPANDED AIR
CONTROLLER FORCE WITH IMPROVED WORKING
CONDITIONS.

THERE MUST BE SOME SENSIBLE GIVE
AND TAKE ON THE FINANCING OF THESE OBVIOUS
NEEDS. PERHAPS AN EARMARKED TRUST FUND --

A DEDICATION OF INDUSTRY TAX REVENUES TO
INDUSTRY REQUIREMENTS -- MAY BE THE ANSWER.
SUCH A SOLUTION HAS WORKED WELL FOR HIGHWAY
USERS AND THE AUTOMOTIVE INDUSTRY.

THERE MAY BE SOME HERE WHO SEE
AN OPPORTUNITY FOR A LEGISLATIVE
BREAKTHROUGH IN TRANSPORTATION -- AN
OMNIBUS TRANSPORTATION BILL.

WE ALL KNOW THAT CONGRESS HAS
BEEN DEALING WITH TRANSPORTATION ON A
FRAGMENTED BASIS. WE KNOW THAT THE RETURN
ON INVESTMENT DOES NOT MAKE THE REGULATED
TRANSPORTATION INDUSTRY ATTRACTIVE TO NEW
CAPITAL AND THAT THE INDUSTRY SHOULD BE
MADE MORE RESPONSIVE TO THE NATION'S NEEDS
FOR MOVEMENT OF PRODUCTS AND PEOPLE.

SHALL I ENGAGE IN HIGH-FLOWN
RHETORIC AND RAISE FOND HOPES?

A LOOK AT THE PAST MAY INDICATE
WHAT IS LIKELY TO HAPPEN IN THE MONTHS AHEAD.

EVERY CONGRESS BRINGS FORTH
RESOLUTIONS AIMED AT PRODUCING A FULL-BLOWN
TRANSPORTATION PLAN FOR THE COUNTRY, A
PLAN WHICH WOULD ARTICULATE AN OVERALL
POLICY TO BE CARRIED OUT BY THE ADMINISTRATION.

REALISTICALLY, THE HISTORY OF
OMNIBUS TRANSPORTATION BILLS IS NOT A
SUCCESS STORY.

REMEMBER THE EFFORTS WHICH BEGAN
WITH THE KENNEDY ADMINISTRATION? A BROAD
BILL TO OPEN COMPETITION TO ALL MODES OF
TRANSPORTATION ON TERMS OF "EQUALITY" WAS
SUBMITTED. AT LEAST THAT WAS THE ANNOUNCED
PURPOSE OF THE BILL. DEREGULATION IT CAME
TO BE CALLED.

THE VERY IDEA OF SUCH OPEN
COMPETITION AND A MINIMUM OF GOVERNMENT
REGULATION APPEALED TO THE SHIPPING PUBLIC.
AND, THE PROSPECT OF GETTING THE
EVER-REVILED INTERSTATE COMMERCE COMMISSION

OUT OF THE ACT APPEALED TO MANY OTHERS AS WELL.

THEN CAME THE CONGRESSIONAL COMMITTEE HEARINGS AND THE OPPORTUNITY FOR EVERYONE TO ENDORSE THE PRINCIPLE HE CLAIMED TO ESPOUSE. IT SOON BECAME EVIDENT THAT EVERYONE HAD RESERVATIONS OF ONE SORT OR ANOTHER.

SHIPPERS LIKED THE IDEA OF DEREGULATION IF IT WOULD MEAN LOWER TARIFFS. BUT WHO WOULD MAKE SURE OF THIS? ^{end result} THE ONLY MACHINERY AT HAND WAS THE POOR OLD ICC.

SO WHEN ALL THE TESTIMONY WAS IN, IT BECAME APPARENT THAT THE SHIPPING PUBLIC WAS ALL IN FAVOR OF DEREGULATION . . . AS LONG AS IT WAS CLOSELY REGULATED.

I AM NOT MAKING AN ATTEMPT AT HUMOR.

THE VARIOUS ELEMENTS OF THE TRANSPORTATION INDUSTRY WERE WILDLY

ENTHUSIASTIC ABOUT GETTING THE ICC OFF THEIR BACKS -- AS LONG AS IT KEPT AN EYE ON THE REST OF THE INDUSTRY.

AND SO THE VILLAIN OF THE FIRST ACT BECAME THE HERO OF THE LAST ACT.

ONE CONGRESS CAME AND WENT WITH ONLY HEARINGS AND MEETINGS TO SHOW FOR IT.

WHEN ANOTHER CONGRESS CAME ALONG SO DID THE DEREGULATION LEGISLATION, AND THE WHOLE SCENARIO WAS RUN THROUGH ONCE MORE.

AT THE END OF THE FIRST SESSION OF THE 88TH CONGRESS THE HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE THOUGHT IT HAD FINALLY PUT TOGETHER AN OMNIBUS TRANSPORTATION BILL THAT WOULD WORK. IT WAS CAREFULLY CHECKED OUT WITH THE RAILROADS, THE TRUCKING INTERESTS AND THE BARGE LINES, AS WELL AS WITH THE FREIGHT FORWARDERS AND SHIPPERS.

NOBODY WAS HAPPY WITH EVERYTHING, BUT EACH SEEMED TO FEEL THAT ON BALANCE

HIS INTERESTS WERE WELL SERVED. SO THE COMMITTEE REPORTED A NEW BILL, H.R. 9903.

YOU KNOW WHAT HAPPENED. IT WAS SUNK WITHOUT A TRACE IN THE HOUSE RULES COMMITTEE. AND THE TORPEDO THAT DID IT WAS FIRED BY THE SEAPORTS.

OREN HARRIS OF ARKANSAS, A MOST ABLE AND CONSCIENTIOUS LEGISLATOR, WHO WAS THEN HOUSE COMMERCE COMMITTEE CHAIRMAN, VOWED THAT HE WOULD NEVER ENTERTAIN ANOTHER OMNIBUS BILL. CONGRESSMAN HARRIS IS NOW JUDGE HARRIS, BUT THE COMMITTEE HAS CONTINUED TO ABIDE BY THAT DECISION.

OMNIBUS LEGISLATION DEALING WITH TRANSPORTATION PROBABLY IS DOOMED BEFORE IT IS BORN. APPARENTLY NO DETAILED PLAN CAN KEEP UP WITH THE RAPID CHANGES, AND ^{foreseeable or even the unknown} THE NEEDS FOR AND MEANS OF TRANSPORTATION. ¹ SO WE MUST HANDLE IT AS WE GO.

THERE IS CERTAINLY NEED FOR A

WELL-THOUGHT-OUT AND WELL-EXPRESSED NATIONAL POLICY ON TRANSPORTATION, BUT IT IS BOUND TO BE VERY GENERAL IN ITS TERMS. AND MAKING SURE THAT LEGISLATION CONSIDERED BY THE COMMERCE COMMITTEES WILL PROMOTE EVEN THE MOST EXPLICIT POLICY IS ENOUGH TO TAX THE PATIENCE OF A JOB AND THE WISDOM OF A SOLOMON.

AND NOW AS I STAND HERE IN THE STEEL CAPITAL OF THE NATION I FEEL COMPELLED TO COMMENT ON A PROBLEM OF SPECIAL INTEREST TO MILL AND MINE OWNERS AND STEEL AND IRON ORE WORKERS ALIKE -- THE PROBLEM OF RAPIDLY RISING STEEL IMPORTS.

I AM PLEASED BY THE OFFER OF THE JAPANESE AND EUROPEAN STEEL PRODUCERS TO VOLUNTARILY CURB THEIR EXPORTS TO THE UNITED STATES. THE AGREEMENT RAISES MANY QUESTIONS, BUT AT LEAST IT SHOWS THAT PRODUCERS IN JAPAN AND THE EUROPEAN COAL

AND STEEL COMMUNITY RECOGNIZE THAT A DOMESTIC PROBLEM EXISTS. A DISREGARD OF THE LEGITIMATE INTEREST OF AMERICAN WORKERS IN JOBS AND OF MANAGEMENT IN MARKETS BY FOREIGN COMPETITORS WOULD BE FOLLY. CONGRESS WILL KEEP A WATCHFUL EYE ON THIS VOLUNTARY APPROACH TO THE PROBLEM OF GROWING STEEL IMPORTS TO SEE IF IT WILL WORK. IF IT FAILS, CONGRESS WILL HAVE TO TURN TO A LEGISLATIVE APPROACH. *Such an approach - perhaps inflexible legislation - might well encompass a wide range of industries or commodities.* AND I WOULD ADD THIS. I THINK THE UNITED STATES SHOULD AT LEAST CONSIDER IMPOSING FLEXIBLE BORDER TAXES ON FOREIGN GOODS AS A STEP TOWARD EQUALIZING ITS POSITION IN WORLD MARKETS. RESULTS OF OUR TRADE NEGOTIATIONS TO DATE INDICATE THAT CONSIDERATION MIGHT WELL BE GIVEN TO BORDER TAX ACTION UNDER AUSPICES OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE. I FAVOR EXPANSION OF WORLD TRADE BUT I BELIEVE THE

UNITED STATES HAS TOO OFTEN COME OUT ON THE SHORT END OF GATTMANSHIP.

AS I URGE THE COURSE OF COMMON SENSE IN TRADE, SO I LOOK TOO FOR REALIZATION ON THE PART OF THE CONGRESS AND OF ALL THE PEOPLE THAT A BRAVE NEW EFFORT MUST BE MADE TO DEAL WITH THE COMPLEX OF PROBLEMS KNOWN AS THE URBAN CRISIS. THE BEST APPROACH TO MEETING THAT CRISIS -- THE COMMON SENSE APPROACH -- IS THROUGH THE USE OF TAX INCENTIVES.

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 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 INDUSTRIAL SKILLS IN THIS

COUNTRY. *We now have the Investment tax credit for new equipment + modern facilities. Etc.*

SUCH A PROGRAM WOULD COST LESS AND ENLIST GREATER KNOW-HOW THAN THE DIRECT GOVERNMENT APPROACH. 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 GOALS 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.

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.

There are those in industry who contend that taxes, the Revenue Code or tax credits are not an answer. I believe the realistic alternative is for more.

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 **C**OMING INTO OFFICE OF
OUR 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, PRESIDENT NIXON
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.

LET US USHER IN AN AGE OF REASON
IN AMERICA -- AN ERA OF CONCILIATION AND
RECONCILIATION AND OF GENEROSITY OF SPIRIT.

THIS IS A TIME OF GREAT CHALLENGE
FOR AMERICA BUT ALSO A TIME OF GLOWING
OPPORTUNITY -- AN OPPORTUNITY TO MOVE IN
NEW DIRECTIONS UNDER NEW LEADERSHIP TO
VANQUISH THE PROBLEMS WHICH SURROUND US.

LET US ACCEPT THE CHALLENGE WITH
CLEAR VISION AND CLEAR HEADS. LET US SEIZE
THE OPPORTUNITY WITH STOUT HEARTS AND A
DETERMINATION THAT WE WILL MOVE FORWARD AS
A PEOPLE -- TOGETHER.

LET US TAKE AS A MOTTO THE WISE
WORDS OF THE GREEK PHILOSOPHER PLUTARCH,
WHO SAID: "MANY THINGS WHICH CANNOT BE
OVERCOME WHEN THEY ARE TAKEN TOGETHER
YIELD THEMSELVES WHEN TAKEN LITTLE BY LITTLE."

WE SHALL GO FORWARD IN FAITH. AND
WE SHALL PREVAIL. FOR FAITH IS THE TALISMAN
OF GREATNESS FOR AMERICA, AND AMERICA IS
STRONG IN FAITH.

AN ADDRESS BY REP. GERALD R. FORD, R-MICH.
REPUBLICAN LEADER, U.S. HOUSE OF REPRESENTATIVES
BEFORE THE TRAFFIC CLUB OF PITTSBURGH
PITTSBURGH, PENNSYLVANIA
THURSDAY EVENING, JANUARY 23, 1969
FOR RELEASE AT 6:30 P.M. THURSDAY

"The Challenge and the Opportunity"

I am delighted to be here. As you know, every man's life is alternately filled with pleasures and duties. My appearance here is a pleasurable break in my official routine, which contains more duties than I care to contemplate.

The other day I ran across this definition of duty: "Duty is what the normal man looks forward to with distaste, does with reluctance, and boasts about forever after."

A friend of mine has suggested that my topic tonight be "transportation." I shall discuss transportation problems to some extent. But to discourse on them in great detail would be presumptuous of me, speaking as I am to an audience which includes experts in the transportation field.

Allow me to survey the broad sweep of the problems that face us as a Nation and a people.

In doing so I see a challenge -- a challenge not only to the new Nixon Administration and to the Congress of the United States, but to each and every citizen of this great republic of ours. For 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 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 is setting 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.

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

(more)

overwhelmed. We can solve our problems if every American, including the men in this room, will pitch in and help.

Vietnam stands at the top of our problem list, and the Nixon Administration has of course assigned it No. 1 priority.

Finally we see the beginnings of a Vietnam solution. The table problem at Paris has been solved, and on Saturday we start the process which may lead to mutual withdrawal of American and North Vietnamese troops from South Vietnam and a political settlement between Saigon and the National Liberation Front.

As you may know, the Nixon Administration intervened directly with the South Vietnamese government to urge the table compromise which has opened the way to peace talks of substance.

The hassle over the form of the table seemed ridiculous to most Americans. The resolving of the question constitutes a breakthrough -- a turning of the corner toward peace.

I can assure you President Nixon will pursue the peace talks with energy and skill. His Administration is determined to find a compromise which will end the killing in Vietnam as quickly as possible, with honor and permanence.

In the Mideast, trouble continues to bubble. But there is reason to hope for a solution acceptable to both Israel and the Arab nations. That hope rests on the fact that the danger of a head-on clash between the United States and the Soviet Union in the Mideast is so acute as to threaten nuclear war. This very danger, shocking as it is, should help to produce an Arab-Israeli settlement simply because the alternative is too terrifying to contemplate. The danger of which I speak has produced a flurry of diplomatic activity on the part of the Russians, and concessions are being hinted at in Cairo.

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 beginning of a dialogue.

Mr. Nixon has said his administration will seek negotiations and not confrontation. 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. deGaulle. 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.

(more)

During 1968 the American people witnessed the sharpest increase in the cost of living in 17 years.

There is some reason to believe that inflationary pressures will ease up in the first half of this year. The old administration has told us that the 1968-69 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 -- 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 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.

Dick Nixon is anxious to streamline the federal government. He will move to do so on a "crash" basis. 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. The last Congress allowed the Executive Reorganization Act to expire last Dec. 31. One of the first orders of business of the 91st 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.

What about the surtax? President Nixon and Mr. Johnson have told the Nation that under existing circumstances the surtax should be extended for a

(more)

year beyond June 30. They said what needed to be said and should have been said at this time. But Mr. Nixon did not, of course, exclude the possibility that the judgment made in January may justifiably be modified in April or May.

In short, the final decision on the surtax cannot and should not be made now. The final judgment will depend on Vietnam and on the state of the economy in spring or early summer. It will depend on what the White House and the Congress do in a host of policy areas, what the public does on spending and saving, what labor and management do in their negotiations, and what the Communist enemy does in making current and longrange decisions.

I have touched on only part of the agenda, only a piece of the challenge that faces the Nation as we move into a new era with a new administration.

I can tell 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.

As for my House Republican colleagues and me, we will press for electoral college reform, tax revision, clean election legislation, congressional reorganization to modernize and strengthen the Congress, reform of the foreign aid program, block grants and--ultimately--percentage sharing of federal revenue with the cities and states, 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.

What about the field of transportation? There are promising developments there -- and I am not talking about the astronauts' spectacularly successful trip to the moon. I look for great leadership from the new Secretary of Transportation, John Volpe. And there is great potential in the new turbo-trains.

There are also serious problems, of course.

We currently face a safety crisis in air transportation. To solve that crisis will require new and imaginative solutions -- new and additional equipment, modern facilities, and an expanded air controller force with improved working conditions. There must be some sensible give and take on the financing of these obvious needs. Perhaps an earmarked trust fund -- a dedication of industry tax revenues to industry requirements -- may be the answer. Such a solution has worked well for highway users and the automotive industry.

There may be some here who see an opportunity for a legislative breakthrough in transportation -- an omnibus transportation bill.

We all know that Congress has been dealing with transportation on a fragmented basis. We know that the return on investment does not make the regulated transportation industry attractive to new capital and that the industry should be made more responsive to the nation's needs for movement of products and people.

Shall I engage in high-flown rhetoric and raise fond hopes?

A look at the past may indicate what is likely to happen in the months ahead.

Every Congress brings forth resolutions aimed at producing a full-blown transportation plan for the country, a plan which would articulate an overall policy to be carried out by the administration.

Realistically, the history of omnibus transportation bills is not a success story.

Remember the efforts which began with the Kennedy Administration? A broad bill to open competition to all modes of transportation on terms of equality was submitted. At least that was the announced purpose of the bill. Deregulation it came to be called.

The very idea of such open competition and a minimum of government regulation appealed immediately to the shipping public. And the prospect of getting the ever-reviled Interstate Commerce Commission out of the act appealed to many others as well.

Then came the congressional committee hearings and the opportunity for everyone to endorse the principle he claimed to espouse. It soon became evident that everyone had reservations of one sort or another.

Shippers liked the idea of deregulation if it would mean lower tariffs. But who would make sure of this? The only machinery at hand was the poor old ICC.

So when all the testimony was in, it became apparent that the shipping public was all in favor of deregulation . . . as long as it was closely regulated.

I am not making an attempt at humor.

The various elements of the transportation industry were wildly enthusiastic about getting the ICC off their backs -- as long as it kept an eye on the rest of the industry.

And so the villain of the first act became the hero of the last act.

One Congress came and went with only hearings and meetings to show for it.

When another Congress came along so did the deregulation legislation, and the whole scenario was run through once more.

At the end of the first session of the 88th Congress the House Committee on Interstate and Foreign Commerce thought it had finally put together an omnibus transportation bill that would work. It was carefully checked out with the railroads, the trucking interests and the barge lines, as well as with the freight forwarders and shippers.

Nobody was happy with everything, but each seemed to feel that on balance his interests were well served. So the Committee reported a new bill, H.R. 9903.

You know what happened. It was sunk without a trace in the House Rules Committee. And the torpedo that did it was fired by the seaports.

Oren Harris of Arkansas, a most able and conscientious legislator, who was then House Commerce Committee chairman, vowed that he would never entertain another omnibus bill. Congressman Harris is now Judge Harris, but the Committee has continued to abide by that decision.

Omnibus legislation dealing with transportation probably is doomed before it is born. Apparently no detailed plan can keep up with the rapid changes, and the needs for and means of transportation. So we must handle it as we go.

There is certainly need for a well-thought-out and well-expressed national policy on transportation, but it is bound to be very general in its terms. And making sure that legislation considered by the Commerce Committees will promote even the most explicit policy is enough to tax the patience of a Job and the wisdom of a Solomon.

And now as I stand here in the steel capital of the Nation I feel compelled to comment on a problem of special interest to mill and mine owners and steel and iron ore workers alike -- the problem of rapidly rising steel imports.

I am pleased by the offer of the Japanese and European steel producers to voluntarily curb their exports to the United States. The agreement raises many questions, but at least it shows that producers in Japan and the European Coal and Steel Community recognize that a domestic problem exists. A disregard of the legitimate interest of American workers in jobs and of management in markets by foreign competitors would be folly. Congress will keep a watchful eye on this voluntary approach to the problem of growing steel imports to see if it will work. If it fails, Congress will have to turn to a legislative approach.

And I would add this. I think the United States should at least consider imposing flexible border taxes on foreign goods as a step toward equalizing its position in world markets. Results of our trade negotiations to date indicate that consideration might well be given to border tax action under auspices of the

General Agreement on Tariffs and Trade. I favor expansion of world trade but I believe the United States has too often come out on the short end of Gattmanship.

As I urge the course of common sense in trade, so I look too for realization on the part of the Congress and of all the people that a brave new effort must be made to deal with the complex of problems known as the urban crisis. The best approach to meeting that crisis -- the common sense approach -- is through the use of tax incentives.

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 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 industrial skills in this country.

Such a program would cost less and enlist greater know-how than the direct government approach. 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.

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 coming into office of our 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, President Nixon 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.

Let us usher in an age of reason in America -- an era of conciliation and reconciliation and of generosity of spirit.

This is a time of great challenge for America but also a time of glowing opportunity -- an opportunity to move in new directions under new leadership to vanquish the problems which surround us.

Let us accept the challenge with clear vision and clear heads. Let us seize the opportunity with stout hearts and a determination that we will move

forward as a people -- together.

Let us take as a motto the wise words of the Greek philosopher Plutarch, who said: "Many things which cannot be overcome when they are taken together yield themselves when taken little by little."

We shall go forward in faith. And we shall prevail. For faith is the talisman of greatness for America, and America is strong in faith.

#

*Distribution: Full
Hallowed 3100p.m. M Office Copy
1/23/69
Mailing 1/24/69 AM.*

AN ADDRESS BY REP. GERALD R. FORD, R-MICH.
REPUBLICAN LEADER, U.S. HOUSE OF REPRESENTATIVES
BEFORE THE TRAFFIC CLUB OF PITTSBURGH
PITTSBURGH, PENNSYLVANIA
THURSDAY EVENING, JANUARY 23, 1969
FOR RELEASE AT 6:30 P.M. THURSDAY

"The Challenge and the Opportunity"

I am delighted to be here. As you know, every man's life is alternately filled with pleasures and duties. My appearance here is a pleasurable break in my official routine, which contains more duties than I care to contemplate.

The other day I ran across this definition of duty: "Duty is what the normal man looks forward to with distaste, does with reluctance, and boasts about forever after."

A friend of mine has suggested that my topic tonight be "transportation." I shall discuss transportation problems to some extent. But to discourse on them in great detail would be presumptuous of me, speaking as I am to an audience which includes experts in the transportation field.

Allow me to survey the broad sweep of the problems that face us as a Nation and a people.

In doing so I see a challenge -- a challenge not only to the new Nixon Administration and to the Congress of the United States, but to each and every citizen of this great republic of ours. For 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 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 is setting 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.

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

(more)



overwhelmed. We can solve our problems if every American, including the men in this room, will pitch in and help.

Vietnam stands at the top of our problem list, and the Nixon Administration has of course assigned it No. 1 priority.

Finally we see the beginnings of a Vietnam solution. The table problem at Paris has been solved, and on Saturday we start the process which may lead to mutual withdrawal of American and North Vietnamese troops from South Vietnam and a political settlement between Saigon and the National Liberation Front.

As you may know, the Nixon Administration intervened directly with the South Vietnamese government to urge the table compromise which has opened the way to peace talks of substance.

The hassle over the form of the table seemed ridiculous to most Americans. The resolving of the question constitutes a breakthrough -- a turning of the corner toward peace.

I can assure you President Nixon will pursue the peace talks with energy and skill. His Administration is determined to find a compromise which will end the killing in Vietnam as quickly as possible, with honor and permanence.

In the Mideast, trouble continues to bubble. But there is reason to hope for a solution acceptable to both Israel and the Arab nations. That hope rests on the fact that the danger of a head-on clash between the United States and the Soviet Union in the Mideast is so acute as to threaten nuclear war. This very danger, shocking as it is, should help to produce an Arab-Israeli settlement simply because the alternative is too terrifying to contemplate. The danger of which I speak has produced a flurry of diplomatic activity on the part of the Russians, and concessions are being hinted at in Cairo.

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 beginning of a dialogue.

Mr. Nixon has said his administration will seek negotiations and not confrontation. 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. deGaulle. 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.

(more)

During 1968 the American people witnessed the sharpest increase in the cost of living in 17 years.

There is some reason to believe that inflationary pressures will ease up in the first half of this year. The old administration has told us that the 1968-69 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 -- 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 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.

Dick Nixon is anxious to streamline the federal government. He will move to do so on a "crash" basis. 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. The last Congress allowed the Executive Reorganization Act to expire last Dec. 31. One of the first orders of business of the 91st 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.

What about the surtax? President Nixon and Mr. Johnson have told the Nation that under existing circumstances the surtax should be extended for a

(more)

year beyond June 30. They said what needed to be said and should have been said at this time. But Mr. Nixon did not, of course, exclude the possibility that the judgment made in January may justifiably be modified in April or May.

In short, the final decision on the surtax cannot and should not be made now. The final judgment will depend on Vietnam and on the state of the economy in spring or early summer. It will depend on what the White House and the Congress do in a host of policy areas, what the public does on spending and saving, what labor and management do in their negotiations, and what the Communist enemy does in making current and longrange decisions.

I have touched on only part of the agenda, only a piece of the challenge that faces the Nation as we move into a new era with a new administration.

I can tell 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.

As for my House Republican colleagues and me, we will press for electoral college reform, tax revision, clean election legislation, congressional reorganization to modernize and strengthen the Congress, reform of the foreign aid program, block grants and--ultimately--percentage sharing of federal revenue with the cities and states, 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.

What about the field of transportation? There are promising developments there -- and I am not talking about the astronauts' spectacularly successful trip to the moon. I look for great leadership from the new Secretary of Transportation, John Volpe. And there is great potential in the new turbo-trains.

There are also serious problems, of course.

We currently face a safety crisis in air transportation. To solve that crisis will require new and imaginative solutions -- new and additional equipment, modern facilities, and an expanded air controller force with improved working conditions. There must be some sensible give and take on the financing of these obvious needs. Perhaps an earmarked trust fund -- a dedication of industry tax revenues to industry requirements -- may be the answer. Such a solution has worked well for highway users and the automotive industry.

There may be some here who see an opportunity for a legislative breakthrough in transportation -- an omnibus transportation bill.

We all know that Congress has been dealing with transportation on a fragmented basis. We know that the return on investment does not make the regulated transportation industry attractive to new capital and that the industry should be made more responsive to the nation's needs for movement of products and people.

Shall I engage in high-flown rhetoric and raise fond hopes?

A look at the past may indicate what is likely to happen in the months ahead.

Every Congress brings forth resolutions aimed at producing a full-blown transportation plan for the country, a plan which would articulate an overall policy to be carried out by the administration.

Realistically, the history of omnibus transportation bills is not a success story.

Remember the efforts which began with the Kennedy Administration? A broad bill to open competition to all modes of transportation on terms of equality was submitted. At least that was the announced purpose of the bill. Deregulation it came to be called.

The very idea of such open competition and a minimum of government regulation appealed immediately to the shipping public. And the prospect of getting the ever-reviled Interstate Commerce Commission out of the act appealed to many others as well.

Then came the congressional committee hearings and the opportunity for everyone to endorse the principle he claimed to espouse. It soon became evident that everyone had reservations of one sort or another.

Shippers liked the idea of deregulation if it would mean lower tariffs. But who would make sure of this? The only machinery at hand was the poor old ICC.

So when all the testimony was in, it became apparent that the shipping public was all in favor of deregulation . . . as long as it was closely regulated.

I am not making an attempt at humor.

The various elements of the transportation industry were wildly enthusiastic about getting the ICC off their backs -- as long as it kept an eye on the rest of the industry.

And so the villain of the first act became the hero of the last act.

One Congress came and went with only hearings and meetings to show for it.

When another Congress came along so did the deregulation legislation, and the whole scenario was run through once more.

At the end of the first session of the 88th Congress the House Committee on Interstate and Foreign Commerce thought it had finally put together an omnibus transportation bill that would work. It was carefully checked out with the railroads, the trucking interests and the barge lines, as well as with the freight forwarders and shippers.

Nobody was happy with everything, but each seemed to feel that on balance his interests were well served. So the Committee reported a new bill, H.R. 9903.

You know what happened. It was sunk without a trace in the House Rules Committee. And the torpedo that did it was fired by the seaports.

Oren Harris of Arkansas, a most able and conscientious legislator, who was then House Commerce Committee chairman, vowed that he would never entertain another omnibus bill. Congressman Harris is now Judge Harris, but the Committee has continued to abide by that decision.

Omnibus legislation dealing with transportation probably is doomed before it is born. Apparently no detailed plan can keep up with the rapid changes, and the needs for and means of transportation. So we must handle it as we go.

There is certainly need for a well-thought-out and well-expressed national policy on transportation, but it is bound to be very general in its terms. And making sure that legislation considered by the Commerce Committees will promote even the most explicit policy is enough to tax the patience of a Job and the wisdom of a Solomon.

And now as I stand here in the steel capital of the Nation I feel compelled to comment on a problem of special interest to mill and mine owners and steel and iron ore workers alike -- the problem of rapidly rising steel imports.

I am pleased by the offer of the Japanese and European steel producers to voluntarily curb their exports to the United States. The agreement raises many questions, but at least it shows that producers in Japan and the European Coal and Steel Community recognize that a domestic problem exists. A disregard of the legitimate interest of American workers in jobs and of management in markets by foreign competitors would be folly. Congress will keep a watchful eye on this voluntary approach to the problem of growing steel imports to see if it will work. If it fails, Congress will have to turn to a legislative approach.

And I would add this. I think the United States should at least consider imposing flexible border taxes on foreign goods as a step toward equalizing its position in world markets. Results of our trade negotiations to date indicate that consideration might well be given to border tax action under auspices of the

General Agreement on Tariffs and Trade. I favor expansion of world trade but I believe the United States has too often come out on the short end of Gattmanship.

As I urge the course of common sense in trade, so I look too for realization on the part of the Congress and of all the people that a brave new effort must be made to deal with the complex of problems known as the urban crisis. The best approach to meeting that crisis -- the common sense approach -- is through the use of tax incentives.

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 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 industrial skills in this country.

Such a program would cost less and enlist greater know-how than the direct government approach. 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.

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 coming into office of our 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, President Nixon 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.

Let us usher in an age of reason in America -- an era of conciliation and reconciliation and of generosity of spirit.

This is a time of great challenge for America but also a time of glowing opportunity -- an opportunity to move in new directions under new leadership to vanquish the problems which surround us.

Let us accept the challenge with clear vision and clear heads. Let us seize the opportunity with stout hearts and a determination that we will move

forward as a people -- together.

Let us take as a motto the wise words of the Greek philosopher Plutarch, who said: "Many things which cannot be overcome when they are taken together yield themselves when taken little by little."

We shall go forward in faith. And we shall prevail. For faith is the talisman of greatness for America, and America is strong in faith.

#