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NATIONAL FEDERATION OF INDEPENDENT
BUSINESSMEN, WEDNESDAY, MAY 19, 1971,
AT 7.30 P.M., AT THE WASHINGTON HILTON
HOTEL.

*Peterson short
speech.*

291,000

28th Anniversary Press

Mr. Virginia Galt

GOOD EVENING. IT IS A GREAT PLEASURE TO BE HERE AMONG MEN WHO ARE TRULY INDEPENDENT AND WHO ARE DEVOTED TO THE PRINCIPLES OF FREE ENTERPRISE.

LIFE IS DIFFICULT FOR THE SMALL BUSINESSMAN IN THIS AGE OF COMMERCIAL GIANTS, I KNOW. BUT/I FEEL THAT TIMES WILL BECOME STEADILY BETTER IN THE MONTHS AHEAD--AND I DO NOT SAY THIS ONLY BECAUSE I TEND TO BE ETERNALLY OPTIMISTIC.

*Ernie
Canta
Klepp*

THINGS HAVE ALREADY BECOME A LITTLE EASIER FOR POLITICIANS IN THIS AGE -- THE SPACE AGE. THERE WAS A TIME WHEN WE ONLY PROMISED PEOPLE THE MOON. NOW WE CAN ACTUALLY DELIVER ON THAT PROMISE.

THERE ARE ALSO, OF COURSE, A FEW THINGS WE CAN PROMISE HERE ON EARTH AND DELIVER ON, IF GIVEN ONLY A LITTLE HELP BY THE AMERICAN PEOPLE.

THOSE WORDS -- A LITTLE HELP -- ARE TERRIBLY IMPORTANT, PARTICULARLY IF THE PROMISE IS A PLEDGE TO END THE VIETNAM WAR IN A WAY THAT WILL HELP TO AVOID FUTURE WARS.

I DON'T KNOW IF WE CAN END THE VIETNAM WAR -- BECAUSE IT TAKES BOTH SIDES TO MAKE PEACE *at the bargaining table.*

BUT, I DO BELIEVE WE CAN END U. S. INVOLVEMENT IN VIETNAM IN THE RIGHT WAY -- IF NOT THROUGH A NEGOTIATED PEACE IN PARIS, THEN BY TURNING THE WAR OVER TO THE SOUTH VIETNAMESE IN AN ORDERLY AND WELL-TIMED FASHION.

I AM NOT SPEAKING IN A PARTISAN VEIN TONIGHT. ~~THIS IS ONE REASON I HAVE CHOSEN TO SPEAK WITH YOU ABOUT VIETNAM AND WHAT THE FUTURE MAY HOLD THERE.~~ IF THERE IS ANY SUBJECT WHICH SHOULD BE NONPARTISAN, IT IS VIETNAM.

IT HAS BEEN SAID THAT THE WORLD IS NOW TOO DANGEROUS FOR ANYTHING BUT TRUTH. I CERTAINLY BELIEVE THAT, AND SO I WOULD LIKE TO SPEAK A FEW TRUTHS HERE TONIGHT THAT HAVE ESCAPED SOME OF US LATELY.

ONE OF THOSE TRUTHS IS THAT THE PRESIDENT OF THE UNITED STATES IS THE ONLY MAN WHO CAN LIQUIDATE THE AMERICAN ROLE IN VIETNAM AND EXTRICATE US FROM THAT HORRIBLE WAR.

ANOTHER ~~OF THOSE~~ TRUTHS IS THAT THE PRESIDENT IS AS ANXIOUS AS ANYONE ELSE

IN THIS COUNTRY TO BRING ABOUT U.S.
DISENGAGEMENT FROM THE VIETNAM WAR AS
QUICKLY AS PRACTICABLE.

STILL ANOTHER TRUTH IS THAT
PUBLIC POLICY -- AMERICAN FOREIGN POLICY
AFFECTING WAR AND PEACE -- CANNOT SAFELY
BE MADE IN THE STREETS. THE APRIL 24
PEACE MARCH NOTWITHSTANDING, CROWD
DIPLOMACY IS NO SANE SUBSTITUTE FOR
CAREFULLY CONSIDERED AND ORDERED POLICY
FORMULATED AT THE HIGHEST LEVELS OF THE
UNITED STATES GOVERNMENT. CHANTS OF
"OUT NOW," EVEN IF LED BY A UNITED STATES
SENATOR, ARE NO ANSWER FOR THE FEARFULLY
COMPLICATED QUESTION OF HOW BEST TO END OUR
INVOLVEMENT IN VIETNAM.

WE ALL WANT TO END OUR
INVOLVEMENT IN VIETNAM. ALL OF US. THE
PRESIDENT, WHO INHERITED THE WAR, AND YOU
AND I.

547,000
267,500

279,500

THE PRESIDENT, REGARDLESS OF THE WAR'S HISTORY, HAS THE TERRIBLE BURDEN OF ENDING THE AMERICAN ROLE IN VIETNAM. WE SHOULD HELP HIM WITH IT.

HOW CAN WE HELP THE PRESIDENT LIQUIDATE THE AMERICAN ROLE IN VIETNAM? WE CAN AND SHOULD SUPPORT HIM AS HE PURSUES HIS POLICY OF GRADUAL WITHDRAWAL FROM VIETNAM -- A POLICY WHICH HAS REDUCED U.S. STRENGTH IN VIETNAM TO A CURRENT LEVEL OF 262,500 AND WILL BRING IT DOWN TO 184,000 BY NEXT DECEMBER 1. IF US. TROOP WITHDRAWALS FROM VIETNAM CONTINUE BEYOND DECEMBER 1 AT THE PRESENT PACE, WE WILL BE DOWN TO 55,000 TROOPS BY NEXT SEPTEMBER 1 -- THE FIGURE GENERALLY TALKED ABOUT AS A "RESIDUAL FORCE." OUR GOAL IS TOTAL WITHDRAWAL. IT WILL BE ACHIEVED.

*Bear in mind
The starting point for withdrawal was 542,000 - so approximately
there has been
a cut-
back
of 250,000*

THERE ARE THOSE WHO ARE CALLING FOR A PUBLICLY ANNOUNCED PULLOUT DATE, AS DEMANDED BY THE NORTH VIETNAMESE AND THE VIET CONG. THE DATE MOST FREQUENTLY MENTIONED IS DECEMBER 31, 1971. WHAT PURPOSE WOULD IT SERVE FOR THE PRESIDENT TO ANNOUNCE WE WOULD PULL OUT BY THAT DATE? IS SUCH AN ANNOUNCEMENT IN THE BEST INTERESTS OF OUR SIDE? NO, IT WOULD ONLY SERVE THE PURPOSES OF THE ENEMY.

WE WOULD BE REMOVING THE ENEMY'S INCENTIVE TO END U.S. INVOLVEMENT SOONER BY NEGOTIATION.

WE WOULD BE GIVING THE ENEMY THE INFORMATION NEEDED TO MARSHAL ATTACKS AGAINST OUR REMAINING FORCES AT THEIR MOST VULNERABLE TIME.

SO A PUBLICLY ANNOUNCED PULLOUT DATE SERVES NO USEFUL PURPOSE, AND IN ANY

CASE WE WILL BE SUBSTANTIALLY OUT OF VIETNAM BY EARLY NEXT ^{Summer} ~~FALL~~. WHEN WE TALK ABOUT EARLY NEXT ^{Summer} ~~FALL~~ AS AGAINST DECEMBER 31, 1971, WE ARE REALLY TALKING ABOUT ONLY A FEW MONTHS' DIFFERENCE IN TIME.

? WHY ARE SOME OF THE LEADERS OF THE APRIL 24 PEACE MARCH AND THE MAY DAY DISTURBANCES SO DETERMINED TO GET US OUT OF VIETNAM NOW? BECAUSE THESE LEADERS ARE ANXIOUS TO PROMOTE A COMMUNIST VICTORY IN VIETNAM. NOT TO TAKE ANYTHING AWAY FROM THE THOUSANDS OF WELL-MEANING AMERICANS WHO FOLLOW THESE LEADERS WITHOUT REGARD FOR THEIR IDEOLOGICAL COLORATION. ^{not the medical students} THEY NO DOUBT ARE SINCERE. BUT POLICY ON THIS VITAL ISSUE CANNOT BE MADE IN THE STREETS, AND IT CERTAINLY SHOULD NOT BE MADE BY RADICALS WHO TRY TO TEAR DOWN THE AMERICAN FLAG AND RAISE THE VIET CONG FLAG IN ITS PLACE.

CON
GRESS

WE ARE SUCCEEDING IN THWARTING A COMMUNIST TAKEOVER IN SOUTH VIETNAM BY FORCE. IF WE NOW WERE TO WITHDRAW ALL OF OUR FORCES SWIFTLY AND PRECIPITOUSLY, WE WOULD BE ACQUIESCING ^{IN} THE COMMUNIST CONQUEST OF VIETNAM.

I KNOW THE AMERICAN PEOPLE ARE TIRED OF THE VIETNAM WAR. BUT IS SURRENDER IN VIETNAM WHAT THEY REALLY WANT? I DON'T BELIEVE IT FOR A MINUTE, AND A POLL BY THE OPINION RESEARCH CORPORATION SUBSTANTIATES IT. WHEN ASKED IF THEY FAVOR PULLOUT OF ALL AMERICAN TROOPS BY THE END OF 1971 EVEN IF THIS MEANT A COMMUNIST TAKEOVER, ONLY 27 PER CENT SAID "YES," AND 57 PER CENT SAID "NO." THE REST WERE UNDECIDED.

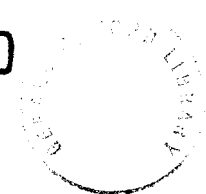
NORTH VIETNAM AND THE VIET CONG HAVE REPEATEDLY MADE IT PLAIN THAT THEY

EXPECT GROWING PROTESTS IN THE UNITED STATES TO SPEED THE END OF THE VIETNAM WAR ON ^{the communist} THEIR TERMS. I DON'T BELIEVE THAT IS GOING TO HAPPEN. I BELIEVE THE MAJORITY OF THE AMERICAN PEOPLE SUPPORT THE PRESIDENT ON THE CRUCIAL ISSUE OF GRADUAL WITHDRAWAL WITH SUCCESS / VERSUS PRECIPITOUS WITHDRAWAL AND DEFEAT.

DO WE HAVE ANY BUSINESS BEING IN VIETNAM? IS THE VIETNAM WAR A CIVIL WAR IN WHICH WE HAVE INTERVENED WITHOUT GOOD CAUSE?

ANYONE WHO BELIEVES THE VIETNAM WAR IS A CIVIL WAR IS EITHER NOT KNOWLEDGEABLE OR IS FORGETFUL OF THE FACTS -- THE FACT THAT AFTER THE INDOCHINA WAR ENDED ^{with the French} NORTH VIETNAM REFUSED TO ACCEPT THE U.S. PROPOSAL OF UN-SUPERVISED ELECTIONS, THAT NORTH VIETNAM AND FRANCE

WERE THEREFORE THE ONLY NATIONS WHO SIGNED THE GENEVA ACCORDS IN 1954, THAT THE COMMUNIST PARTY IN NORTH VIETNAM EXECUTED MORE THAN 50,000 PEOPLE DURING THE FOLLOWING TWO-YEAR PERIOD, THAT THE COMMUNIST PARTY IN NORTH VIETNAM HERDED MORE THAN A HALF MILLION PEOPLE INTO FORCED LABOR CAMPS OR RE-EDUCATION CENTERS, THAT THE COMMUNIST PARTY OF NORTH VIETNAM HAD ALSO ORDERED 80,000 TO 100,000 SOUTHERN COMMUNISTS TO GO NORTH AT THE TIME OF THE GENEVA CONFERENCE TO TRAIN AND PREPARE IN THE NORTH TO RETURN TO SOUTH VIETNAM TO ORGANIZE THE COMMUNIST VOTE IN THE SOUTH IN 1956, THAT THESE SOUTHERN MEN RETURNED TO THE SOUTH UNDER NORTHERN ORDERS TO BEGIN A GUERRILLA WAR, THAT MOST OF THESE SOUTHERNERS HAD BEEN SENT BACK TO THE SOUTH BY HANOI BY 1964, THAT IN SEPTEMBER AND



OCTOBER OF 1964 THE FIRST REGULAR ARMY
UNITS OF THE NORTH VIETNAMESE ARMY MOVED
DOWN THE HO CHI MINH TRAIL THROUGH LAOS
INTO SOUTH VIETNAM.

combat beginning in 1962

IT WAS ONLY THE U.S. RESPONSE
WITH COMBAT FORCES THAT PREVENTED THE
COLLAPSE OF SOUTH VIETNAM. THERE ARE TODAY
SOME 160,000 NORTH VIETNAMESE SOLDIERS
IN THE SOUTH, A FORCE THAT CONSTITUTES AN
ACTUAL INVASION OF THE SOUTH FROM THE
NORTH.

THE ONGOING U.S. TROOP
WITHDRAWALS FROM SOUTH VIETNAM ARE TIMED
SO AS TO ENABLE SOUTH VIETNAM TO MEET THE
COMMUNIST CHALLENGE FROM THE NORTH.

THE WAY THE WAR CAN BE MOST
SPEEDILY RESOLVED IS BY MEANINGFUL
NEGOTIATIONS AT PARIS. IF HANOI CONTINUES
TO REFUSE TO NEGOTIATE, THEN PRESIDENT NIXON'S

VIETNAMIZATION PROGRAM -- THE STRENGTHENING OF THE SOUTH MILITARILY, POLITICALLY AND ECONOMICALLY -- IS A CONSTANT REMINDER TO THE NORTH THAT AS THEY DALLY THE SOUTH VIETNAMESE ARE BEING GIVEN MORE TIME AND WEAPONS TRAINING TO DEAL WITH THEM.

WE HAVE BEEN ACTIVELY FIGHTING IN VIETNAM FOR SIX YEARS. THAT IS A LONG TIME. BUT THE COMMUNIST NORTH HAS BEEN TRYING TO CONQUER SOUTH VIETNAM FOR 17 YEARS -- EVER SINCE THE GENEVA ARMISTICE.

THIS WAR BELONGS TO THE VIETNAMESE AND WE SHOULD GIVE IT BACK TO THEM. BUT WE MUST DO IT IN ORDERLY FASHION, IN A WAY THAT BESTOWS STRENGTH ON THE SOUTH VIETNAMESE AND DISCOURAGES COMMUNIST AGGRESSION -- NOW AND FOR THE FUTURE.

PRESIDENT NIXON IS SALVAGING THE TREMENDOUS INVESTMENT WE HAVE MADE IN

VIETNAM. YOU CAN ARGUE THAT WE NEVER
SHOULD HAVE BECOME INVOLVED IN VIETNAM IN
THE FIRST PLACE -- THAT BOTH PRESIDENTS
KENNEDY AND JOHNSON MADE A MISTAKE. BUT
I DON'T THINK YOU CAN ARGUE AGAINST
PRESIDENT NIXON'S SALVAGE OPERATION.

*Truman
Eisenhower*

IT IS NOT A MATTER OF SAVING FACE.
IT IS A MATTER OF GIVING SOUTH VIETNAM A
DECENT CHANCE TO SURVIVE AS AN INDEPENDENT,
NON-COMMUNIST NATION.

SINCERE ADVOCATES OF PRECIPITOUS
WITHDRAWAL FROM VIETNAM ARE IGNORING THE
CONSEQUENCES OF SUCH ACTION. OUR ALLIES IN
SOUTHEAST ASIA ARE WAITING TO SEE IF THE
COMMUNISTS ARE RIGHT IN SAYING AMERICANS
DO NOT HAVE THE MORAL STAMINA TO PERSEVERE
IN THE DEFENSE OF FREEDOM IN SOUTH VIETNAM
AND THE PRESERVATION OF THE DIVERSITIES
THAT THE PROUD PEOPLES AND SOCIETIES OF
ASIA REPRESENT.

I BELIEVE IN FREEDOM, AND I
BELIEVE FREEDOM IS DIMINISHED THROUGHOUT
THE WORLD WHENEVER ANOTHER COUNTRY
DISAPPEARS BEHIND THE BAMBOO OR IRON
CURTAINS.

RECENTLY, SHARP ATTACKS HAVE
BEEN MADE ON THE PRESIDENT AND HIS VIETNAM
POLICY. ~~I SAY~~ LET US SUPPORT THE PRESIDENT
IN HIS ^{*Quest for peace*} QUEST FOR PEACE. AMERICANS MUST
RALLY BEHIND THEIR PRESIDENT, FOR WITHOUT
THE SUPPORT OF THE PEOPLE NO PRESIDENT CAN
END THE U.S. INVOLVEMENT IN VIETNAM WITH
HONOR AND RETAIN THE RESPECT AND REGARD OF
OTHER NATIONS.

JOIN WITH ME. LET US NOT TURN
OUR BACKS ON FREEDOM. LET US ACHIEVE
PEACE WITH HONOR -- A PEACE THAT WILL
THWART THE CONTINUED COMMUNIST ATTEMPT TO
POACH ON FREEDOM'S SHRINKING PRESERVE.

SETTING A DATE FOR UNILATERAL AMERICAN WITHDRAWAL CAN ONLY REDUCE HANOI'S INCENTIVE TO NEGOTIATE AND LENGTHEN THE TIME IT TAKES TO ACHIEVE A REAL PEACE. THIS IS ESPECIALLY TRUE AS SOUTH VIETNAM PREPARES TO HOLD ITS SECOND ROUND OF NATIONAL ELECTIONS ~~■~~ ^{FROM} THE PRESIDENCY TO THE VILLAGE, BEGINNING IN MAY AND ENDING IN OCTOBER. IT IS NO MERE COINCIDENCE THAT HANOI ASKS AMERICA TO SET A WITHDRAWAL DATE TO DISRUPT THIS PROCESS.

~~AS I MENTIONED EARLIER,~~ PRESIDENT NIXON HAS CONSISTENTLY WOUND DOWN THE WAR. HE HAS CUT OUR FORCES IN VIETNAM BY MORE THAN HALF. HE HAS ALSO SLICED OUR VIETNAM WAR EXPENDITURES IN TWO.

AS WE HAVE WOUND DOWN THE WAR, THE IMPACT ON OUR ECONOMY HAS BEEN IMMENSE. WE ARE PRESENTLY IN THE MIDST

OF A TRANSITION FROM A WARTIME TO A PEACETIME ECONOMY.

JUST AS PRESIDENT NIXON FOUND THE VIETNAM WAR ON THE WHITE HOUSE DOORSTEP, SO HE ALSO INHERITED AN ONGOING INFLATION AND THE SEEDS OF EVEN GREATER INFLATION.

IN A SPEECH DELIVERED NOVEMBER 10, 1969, FORMER SECRETARY OF THE TREASURY HENRY H. FOWLER ACKNOWLEDGED THAT INFLATION WAS FLOURISHING WHEN MR. NIXON ENTERED THE WHITE HOUSE. AN INFLATIONARY SPIRAL HAD BEEN GENERATED, HE SAID, BY "A STEEP ADVANCE IN GOVERNMENT EXPENDITURES, COUPLED WITH SHARP EXPANSION OF BUSINESS SPENDING ON PLANT AND EQUIPMENT AND OF PERSONAL INCOME."

DURING THE TWO-YEAR PERIOD
BETWEEN JULY 1, 1966 AND JUNE 30, 1968,

FEDERAL SPENDING INCREASED BY \$44.1 BILLION,
OR 32.7 PER CENT, THE TIMING AND THE
NATURE OF THIS SHARP JUMP IN FEDERAL
OUTLAYS BUILT UP INFLATIONARY PRESSURES.
THIS WAS A TIME WHEN TOO MANY DOLLARS WERE
CHASING TOO FEW GOODS -- PRODUCING THE
CLASSIC DEMAND-PULL TYPE OF INFLATION.

DURING THIS SAME TWO-YEAR PERIOD,
FEDERAL REVENUE FAILED TO MATCH FEDERAL
SPENDING. TO COVER THE DEFICIT, THE
GOVERNMENT WENT INTO THE MONEY MARKET TO
BORROW \$25.9 BILLION. THIS CREATED AN ACUTE
CREDIT SHORTAGE -- AND PUSHED UP INTEREST
RATES.

BY 1969, WHEN RICHARD NIXON TOOK
OFFICE, DEMAND-PULL INFLATION HAD ALREADY
GIVEN WAY TO ANOTHER KIND OF INFLATION --
COST-PUSH.

THE PROOF OF THIS IS THAT IN 1968, OUTPUT PER MAN HOUR IN MANUFACTURING GREW 4.7 PER CENT BUT WAGES PER MAN-HOUR INCREASED 7.1 PER CENT.

DUE TO THE EFFECTS OF INFLATION PLUS HIGHER TAXES, REAL SPENDABLE EARNINGS AS OF DECEMBER 31, 1968, HAD DROPPED TO \$103.99 A WEEK. THIS CONSTITUTED A 43-PER CENT DECLINE IN PURCHASING POWER OVER A THREE-YEAR PERIOD. LABOR THEN NATURALLY SET OUT TO RECAPTURE THIS LOSS IN REAL EARNINGS.

THE SEEDS OF THE SLOWDOWN IN THE ECONOMY WERE PLANTED BEFORE RICHARD NIXON ENTERED THE WHITE HOUSE.

ON JUNE 28, 1968, PRESIDENT JOHNSON SIGNED A BILL IMPOSING A 10-PER CENT SURTAX ON INDIVIDUAL AND CORPORATE INCOME AND IMPOSING A \$180.1 BILLION CEILING ON

FISCAL YEAR 1969 SPENDING. THIS RESULTED IN A \$28.1 BILLION TURNAROUND IN THE FEDERAL GOVERNMENT'S FISCAL STANCE -- AN ABRUPT CHANGE FROM STIMULATION TO RESTRAINT. AT THE SAME TIME, THE FEDERAL RESERVE BOARD WAS ALSO PURSUING A POLICY OF RESTRAINT ^{which} AND CONTINUED ^{monetary} IT INTO 1969.

IRS
THE NIXON ADMINISTRATION WAS FORCED TO PAY THE PRICE DURING 1969 AND '70 FOR THE INFLATIONARY BINGE OF THE LATE 1960'S.

THE PRICE HAS BEEN PAID. WE ARE NOW COMING UP ON THE PLUS SIDE OF THE LEDGER.

THE RISE IN PRICES THAT WE EXPERIENCED IN 1969 AND 1970 HAS BEEN CUT IN HALF. DURING THE FIRST THREE MONTHS OF 1971, PRICES ROSE AT AN ANNUAL RATE OF 2.7 PER CENT -- THE LOWEST QUARTERLY INCREASE IN FOUR YEARS AND HALF THE

INCREASE RECORDED LAST YEAR.

THE COST OF BORROWING MONEY
HAS DROPPED SHARPLY. AT THE END OF THE
FIRST QUARTER OF 1970, THE PRIME INTEREST
RATE HAD DROPPED TO 5½ PER CENT FROM
8 PER CENT IN THE FIRST QUARTER OF 1970
AND FROM A HIGH OF 8½ PER CENT IN
JANUARY 1969.

THE NATION IS NOW PRODUCING MORE
THAN EVER BEFORE. THE GROSS NATIONAL
PRODUCT INCREASED BY \$30.8 BILLION IN THE
FIRST QUARTER OF 1971 -- THE LARGEST SINGLE
ABSOLUTE INCREASE IN OUR HISTORY. THIS
DOESN'T QUITE FULFILL THE MOST OPTIMISTIC
FORECASTS BUT IT IS FAR BETTER THAN WAS
PREDICTED BY THE PESSIMISTS.

A HOUSING BOOM IS UNDER WAY.
TOWARD THE END OF THE FIRST QUARTER OF THIS
YEAR, THE ANNUAL RATE HAD GONE ABOVE
1.9 MILLION.

CONSUMER CONFIDENCE IS GROWING.

RETAIL SALES IN THE FIRST QUARTER INCREASED 3.3 PER CENT. AUTOMOBILE SALES SET RECORDS.

PRODUCTIVITY IS ON THE RISE.

AFTER TWO YEARS OF VIRTUALLY NO GROWTH, PRODUCTIVITY INCREASED 3.3 PER CENT DURING 1970. AND IN THE FIRST QUARTER OF 1971, THE RATE INCREASED 5.3 PER CENT. ALTHOUGH THIS REFLECTS THE REBOUND AFTER LAST YEAR'S AUTO STRIKE, IT INDICATES THAT PRODUCTIVITY IS LIKELY TO RISE MORE THIS YEAR THAN LAST. THIS MEANS A HIGHER STANDARD OF LIVING, WITH LESS INFLATIONARY PRESSURE.

^{signals}
WHAT ALL THIS MEANS IS THAT THE PRESIDENT IS EMINENTLY RIGHT WHEN HE SAYS WE ARE BRINGING INFLATION UNDER CONTROL, THAT 1971 WILL BE A GOOD YEAR, AND THAT

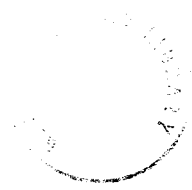
1972 WILL BE BETTER.

EARNINGS IN THE FIRST QUARTER
ADVANCED BY 8 PER CENT ON A WIDE FRONT.
IT'S TRUE THAT PROFITS STILL ARE IN A
SQUEEZE. BUT EVEN WITHOUT FIGURING IN
GENERAL MOTORS, PROFITS WERE 4 PER CENT
AHEAD OF A YEAR AGO. SO THE PICTURE IS
~~THAT~~ PROFITS ARE BOUNCING BACK.

THE RECOVERY IS ACCELERATING.
THERE IS UNDERLYING STRENGTH IN THE ECONOMY.
INFLATION IS COMING UNDER CONTROL.

WE CAN ALL LOOK FORWARD TO
BETTER TIMES AHEAD. AND ON THAT NOTE I
LEAVE YOU.

--END--



Do you approve or disapprove of the way Richard Nixon is handling his job as President?

<u>Approve</u>	<u>Disapprove</u>	<u>No Opinion</u>
55	34	11

Do you approve or disapprove of the way President Nixon is handling the Vietnam situation?

	<u>April</u>	<u>March</u>
Approve	48	41
Disapprove	40	47
No Opinion	12	12

A proposal has been made in Congress to require the U.S. government to bring home all U.S. troops before the end of this year. Would you favor the withdrawal of all U.S. troops by the end of 1971 even if it meant a communist takeover of South Vietnam?

<u>Yes</u>	<u>No</u>	<u>No Opinion</u>
27	57	16

Would you favor withdrawal of all U.S. troops by the end of 1971 even if it threatened the lives or safety of U.S. POW's held by North Vietnam?

<u>Yes</u>	<u>No</u>	<u>No Opinion</u>
12	71	17



by Opinion Research Corp. of Princeton, N.J.

Private nation wide telephone poll taken April 12-13, 1971 of 1092 responses 18 and above.

*Distribution: Full
Hallways 11:30a 5/20/71
Mail pm "*

M Office Copy

AN ADDRESS BY REP. GERALD R. FORD, R-MICH.
REPUBLICAN LEADER, U.S. HOUSE OF REPRESENTATIVES
BEFORE THE NATIONAL FEDERATION OF INDEPENDENT BUSINESSMEN
AT THE WASHINGTON HILTON HOTEL
7:30 p.m., WEDNESDAY, MAY 19, 1971

FOR RELEASE ON DELIVERY

Good evening. It is a great pleasure to be here among men who are truly independent and who are devoted to the principles of free enterprise.

Life is difficult for the small businessman in this age of commercial giants, I know. But I feel that times will become steadily better in the months ahead--and I do not say this only because I tend to be eternally optimistic.

Things have already become a little easier for politicians in this age--the Space Age. There was a time when we only promised people the moon. Now we can actually deliver on that promise.

There are also, of course, a few things we can promise here on earth and deliver on, if given only a little help by the American people.

Those words--a little help--are terribly important, particularly if the promise is a pledge to end the Vietnam War in a way that will help to avoid future wars.

I don't know if we can end the Vietnam War--because it takes both sides to make peace.

But I do believe we can end U.S. involvement in Vietnam in the right way--if not through a negotiated peace in Paris, then by turning the war over to the South Vietnamese in an orderly and well-timed fashion.

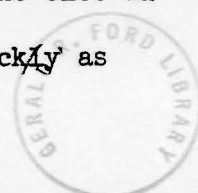
I am not speaking in a partisan vein tonight. This is one reason I have chosen to speak with you about Vietnam and what the future may hold there. If there is any subject which should be nonpartisan, it is Vietnam.

It has been said that the world is now too dangerous for anything but truth. I certainly believe that, and so I would like to speak a few truths here tonight that have escaped some of us lately.

One of those truths is that the President of the United States is the only man who can liquidate the American role in Vietnam and extricate us from that horrible war.

Another of those truths is that the President is as anxious as anyone else in this country to bring about U.S. disengagement from the Vietnam War as quickly as practicable.

(more)



Still another truth is that public policy--American foreign policy affecting war and peace--cannot safely be made in the streets. The April 24 Peace March notwithstanding, crowd diplomacy is no sane substitute for carefully considered and ordered policy formulated at the highest levels of the United States Government. Chants of "out now," even if led by a United States senator, are no answer for the fearfully complicated question of how best to end our involvement in Vietnam.

We all want to end our involvement in Vietnam. All of us. The President, who inherited the war, and you and I.

The President, regardless of the war's history, has the terrible burden of ending the American role in Vietnam. We should help him with it.

How can we help the President liquidate the American role in Vietnam? We can and should support him as he pursues his policy of gradual withdrawal from Vietnam--a policy which has reduced U.S. strength in Vietnam to a current level of 262,500 and will bring it down to 184,000 by next Dec. 1.

If U.S. troop withdrawals from Vietnam continue beyond Dec. 1 at the present pace, we will be down to 55,000 troops by next Sept. 1--the figure generally talked about as a "residual force." Our goal is total withdrawal. It will be achieved.

There are those who are calling for a publicly announced pullout date, as demanded by the North Vietnamese and the Viet Cong. The date most frequently mentioned is Dec. 31, 1971. What purpose would it serve for the President to announce we would pull out by that date? Is such an announcement in the best interests of our side? No, it would only serve the purposes of the enemy.

We would be removing the enemy's incentive to end U.S. involvement sooner by negotiation.

We would be giving the enemy the information needed to marshal attacks against our remaining forces at their most vulnerable time.

So a publicly announced pullout date serves no useful purpose, and in any case we will be substantially out of Vietnam by early next fall. When we talk about early next fall as against Dec. 31, 1971, we are really talking about only a few months' difference in time.

Why are some of the leaders of the April 24 Peace March and the May Day disturbances so determined to get us out of Vietnam now? Because these leaders are anxious to promote a Communist victory in Vietnam. Not to take anything away from the thousands of well-meaning Americans who follow these leaders without regard for their ideological coloration. They no doubt are sincere. But policy on this vital issue cannot be made in the streets, and it certainly should not be made by

(more)

radicals who try to tear down the American Flag and raise the Viet Cong flag in its place.

We are succeeding in thwarting a Communist takeover in South Vietnam by force. If we now were to withdraw all of our forces swiftly and precipitously, we would be acquiescing in Communist conquest of Vietnam.

I know the American people are tired of the Vietnam War. But is surrender in Vietnam what they really want? I don't believe it for a minute, and a poll by the Opinion Research Corporation substantiates it. When asked if they favor pullout of all American troops by the end of 1971 even if this meant a Communist takeover, only 27 per cent said "yes," and 57 per cent said "no." The rest were undecided.

North Vietnam and the Viet Cong have repeatedly made it plain that they expect growing protests in the United States to speed the end of the Vietnam War on their terms. I don't believe that is going to happen. I believe the majority of the American people support the President on the crucial issue of gradual withdrawal with success versus precipitous withdrawal and defeat.

Do we have any business being in Vietnam? Is the Vietnam War a civil war in which we have intervened without good cause?

Anyone who believes the Vietnam War is a civil war is either not knowledgeable or is forgetful of the facts--the fact that after the Indochina War ended North Vietnam refused to accept the U.S. proposal of UN-supervised elections, that North Vietnam and France were therefore the only nations who signed the Geneva Accords in 1954, that the Communist Party in North Vietnam executed more than 50,000 people during the following two-year period, that the Communist Party in North Vietnam herded more than a half million people into forced labor camps or re-education centers, that the Communist Party of North Vietnam had also ordered 80,000 to 100,000 Southern Communists to go North at the time of the Geneva Conference to train and prepare in the North to return to South Vietnam to organize the Communist vote in the South in 1956, that these Southern men returned to the South under Northern orders to begin a guerrilla war, that most of these Southerners had been sent back to the South by Hanoi by 1964, that in September and October of 1964 the first regular Army units of the North Vietnamese Army moved down the Ho Chi Minh Trail through Laos into South Vietnam.

It was only the U.S. response with combat forces that prevented the collapse of South Vietnam. There are today some 160,000 North Vietnamese soldiers in the South, a force that constitutes an actual invasion of the South from the North.

(more)

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The Nixon Administration was forced to pay the price during 1969 and '70 for the inflationary binge of the late 1960's.

The price has been paid. We are now coming up on the plus side of the ledger.

The rise in prices that we experienced in 1969 and 1970 has been cut in half. During the first three months of 1971, prices rose at an annual rate of 2.7 per cent--the lowest quarterly increase in four years and half the increase recorded last year.

The cost of borrowing money has dropped sharply. At the end of the first quarter of 1970, the prime interest rate had dropped to 5.5 per cent from 8 per cent in the first quarter of 1970 and from a high of 8.5 per cent in January 1969.

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What all of this means is that the President is eminently right when he says we are bringing inflation under control, that 1971 will be a good year, and that 1972 will be better.

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The recovery is accelerating. There is underlying strength in the economy. Inflation is coming under control.

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AN ADDRESS BY REP. GERALD R. FORD, R-MICH.
REPUBLICAN LEADER, U.S. HOUSE OF REPRESENTATIVES
BEFORE THE NATIONAL FEDERATION OF INDEPENDENT BUSINESSMEN
AT THE WASHINGTON HILTON HOTEL
7:30 p.m., WEDNESDAY, MAY 19, 1971

FOR RELEASE ON DELIVERY

Good evening. It is a great pleasure to be here among men who are truly independent and who are devoted to the principles of free enterprise.

Life is difficult for the small businessman in this age of commercial giants, I know. But I feel that times will become steadily better in the months ahead--and I do not say this only because I tend to be eternally optimistic.

Things have already become a little easier for politicians in this age--the Space Age. There was a time when we only promised people the moon. Now we can actually deliver on that promise.

There are also, of course, a few things we can promise here on earth and deliver on, if given only a little help by the American people.

Those words--a little help--are terribly important, particularly if the promise is a pledge to end the Vietnam War in a way that will help to avoid future wars.

I don't know if we can end the Vietnam War--because it takes both sides to make peace.

But I do believe we can end U.S. involvement in Vietnam in the right way--if not through a negotiated peace in Paris, then by turning the war over to the South Vietnamese in an orderly and well-timed fashion.

I am not speaking in a partisan vein tonight. This is one reason I have chosen to speak with you about Vietnam and what the future may hold there. If there is any subject which should be nonpartisan, it is Vietnam.

It has been said that the world is now too dangerous for anything but truth. I certainly believe that, and so I would like to speak a few truths here tonight that have escaped some of us lately.

One of those truths is that the President of the United States is the only man who can liquidate the American role in Vietnam and extricate us from that horrible war.

Another of those truths is that the President is as anxious as anyone else in this country to bring about U.S. disengagement from the Vietnam War as quickly as practicable.

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Still another truth is that public policy--American foreign policy affecting war and peace--cannot safely be made in the streets. The April 24 Peace March notwithstanding, crowd diplomacy is no sane substitute for carefully considered and ordered policy formulated at the highest levels of the United States Government. Chants of "out now," even if led by a United States senator, are no answer for the fearfully complicated question of how best to end our involvement in Vietnam.

We all want to end our involvement in Vietnam. All of us. The President, who inherited the war, and you and I.

The President, regardless of the war's history, has the terrible burden of ending the American role in Vietnam. We should help him with it.

How can we help the President liquidate the American role in Vietnam? We can and should support him as he pursues his policy of gradual withdrawal from Vietnam-- a policy which has reduced U.S. strength in Vietnam to a current level of 262,500 and will bring it down to 184,000 by next Dec. 1.

If U.S. troop withdrawals from Vietnam continue beyond Dec. 1 at the present pace, we will be down to 55,000 troops by next Sept. 1--the figure generally talked about as a "residual force." Our goal is total withdrawal. It will be achieved.

There are those who are calling for a publicly announced pullout date, as demanded by the North Vietnamese and the Viet Cong. The date most frequently mentioned is Dec. 31, 1971. What purpose would it serve for the President to announce we would pull out by that date? Is such an announcement in the best interests of our side? No, it would only serve the purposes of the enemy.

We would be removing the enemy's incentive to end U.S. involvement sooner by negotiation.

We would be giving the enemy the information needed to marshal attacks against our remaining forces at their most vulnerable time.

So a publicly announced pullout date serves no useful purpose, and in any case we will be substantially out of Vietnam by early next fall. When we talk about early next fall as against Dec. 31, 1971, we are really talking about only a few months' difference in time.

Why are some of the leaders of the April 24 Peace March and the May Day disturbances so determined to get us out of Vietnam now? Because these leaders are anxious to promote a Communist victory in Vietnam. Not to take anything away from the thousands of well-meaning Americans who follow these leaders without regard for their ideological coloration. They no doubt are sincere. But policy on this vital issue cannot be made in the streets, and it certainly should not be made by

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radicals who try to tear down the American Flag and raise the Viet Cong flag in its place.

We are succeeding in thwarting a Communist takeover in South Vietnam by force. If we now were to withdraw all of our forces swiftly and precipitously, we would be acquiescing in Communist conquest of Vietnam.

I know the American people are tired of the Vietnam War. But is surrender in Vietnam what they really want? I don't believe it for a minute, and a poll by the Opinion Research Corporation substantiates it. When asked if they favor pullout of all American troops by the end of 1971 even if this meant a Communist takeover, only 27 per cent said "yes," and 57 per cent said "no." The rest were undecided.

North Vietnam and the Viet Cong have repeatedly made it plain that they expect growing protests in the United States to speed the end of the Vietnam War on their terms. I don't believe that is going to happen. I believe the majority of the American people support the President on the crucial issue of gradual withdrawal with success versus precipitous withdrawal and defeat.

Do we have any business being in Vietnam? Is the Vietnam War a civil war in which we have intervened without good cause?

Anyone who believes the Vietnam War is a civil war is either not knowledgeable or is forgetful of the facts--the fact that after the Indochina War ended North Vietnam refused to accept the U.S. proposal of UN-supervised elections, that North Vietnam and France were therefore the only nations who signed the Geneva Accords in 1954, that the Communist Party in North Vietnam executed more than 50,000 people during the following two-year period, that the Communist Party in North Vietnam herded more than a half million people into forced labor camps or re-education centers, that the Communist Party of North Vietnam had also ordered 80,000 to 100,000 Southern Communists to go North at the time of the Geneva Conference to train and prepare in the North to return to South Vietnam to organize the Communist vote in the South in 1956, that these Southern men returned to the South under Northern orders to begin a guerrilla war, that most of these Southerners had been sent back to the South by Hanoi by 1964, that in September and October of 1964 the first regular Army units of the North Vietnamese Army moved down the Ho Chi Minh Trail through Laos into South Vietnam.

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