

February 4, 1971
Washington, D. C.

1. NIXON ADMINISTRATION;

000994

DOUBLETALK ABOUT THINGS LEVELING OFF.

GAME PLAN WORKING--NONSENSE.

PRICES LOOK BETTER.

MODERN VERSION OF PROSPERITY AROUND CORNER.

DOESN'T FOOL ANYBODY--

SOCIAL SECURITY INADEQUATE

PRICES AND UNEMPLOYMENT
BOTH OVER 6%.

FARMERS IN DESPERATE STRAITS
PARITY GIMMICK TO FOOL FARMERS

WORKERS LAID OFF BY THE THOUSANDS

YOUNG HAVING HARD TIME IN EMP. MKT.

COLLEGES GOING BROKE & CITIES
WELFARE EXPANDING.

2. WHAT ARE WE GOING TO DO ABOUT IT?

- CAN'T JUST TAKE PARTISAN DELIGHT--TO HIGH A PRICE TO PAY IN ECONOMIC AND SOCIAL LOSSES.
- DEMOCRATIC PARTY AND CONGRESS MUST LEAD AND LEAD NOW.
- MUST LAY OUT POLICY AND PROGRAMS--70'S A DECADE OF DECENCY AND DEVELOPMENT.
- ECONOMIC RECOVERY FOR PRIVATE INCOME AND PUBLIC RESOURCES TO HELP HEAL OUR ~~XXXXXX~~ SOCIAL WOUNDS.
- LAY THE BASE FOR ECONOMIC AND SOCIAL REHABILITATION
- MUST SHOW AGGRESSIVE LEADERSHIP AND HIGH PURPOSE.
- WE KNOW NO POLITICS WHEN IT COMES TO THE NEEDS OF AMERICANS.

3. THE ECONOMY

000996

THE ECONOMY IS IN TROUBLE--6% PRICE RATE AND 6% UNEMPLOYMENT.

\$60 Billion

- LOSING \$60 BILLIONS YEARLY IN UN-REALIZED GNP. CRIPPLES OUR ABILITY TO MEET THE NEEDS OF THE 70'S.
- NEED AN EXPANSIONIST BUDGET--BUT ONE THAT IS NOT ANOTHER ATTEMPT TO FOOL THE AMERICAN PEOPLE AND COVER UP AN INEVITABLE DEFICIT. BUDGET DEFICIT OK IF IT GETS US MOVING.
- THE DEMOCRATIC CONGRESS WILL GET WITH IT IN STIMULATING OUR ECONOMY TO STABLE GROWTH TO FINANCE;
Cities ← PROGRAMS FOR OUR CITIES.
- Jobs* ← --PROVIDING JOBS INSTEAD OF WELFARE
- Health* ← PROGRAMS THAT ATTRACT PEOPLE TO PARAMEDICAL PROFESSIONS.
- PROGRAMS AND POLICIES THAT STIMULATE BUSINESS, EMPLOYMENT.

*Rural
Cities
Jobs
Health
Edu*

NIXON ADMINISTRATION MUST HAVE A VIGOROUS INCOMES POLICY--WAGE AND PRICE GUIDELINES. 00997

I TRUST THAT THE ADMINISTRATION'S PREDICTIONS OF "ORDERLY EXPANSION" IS NOT JUST MORE WISHFUL THINKING.

THE ADMINISTRATION TALK ABOUT A FULL-EMPLOYMENT BUDGET MAKE ME WONDER WONDER. ACCEPTABLE UNEMPLOYMENT WAS FIRST SET AT 3.8%. NOW IT IS IN "THE 4.5% ZONE." APPARENTLY IT IS EASIER TO CHANGE THE DEFINITION OF ONE'S GOAL THAN TO ACHIEVE IT.

4. HEALTH CARE:

- LET'S QUIT ~~X~~ BEMOANING THE FACT THAT THE U.S. IS 14TH IN INFANT MORTALITY.
- LET'S PROVIDE AMERICANS WITH A COMPREHENSIVE HEALTH INSURANCE PLAN THAT LOOKS TO PREVENTION BEFORE A CURE BECOMES THE LAST RESORT.
- LET'S GET ON WITH A PROGRAM FOR DOCTOR TRAINING AND FOR MEDICAL SCHOOLS AND OTHERS IN THE HEALTH SERVICE SYSTEM.
- THE WORLD'S WEALTHIEST NATION SHOULD ALSO BE THE WORLD'S HEALTHIEST. AND IT CAN BE!

5. WELFARE --SOCIAL SECURITY AND HUNGER 000999

- THE ADMINISTRATION INTRODUCED A WELFARE BILL THE REPUBLICANS IN THE SENATE ~~X~~ KILLED IT.
- THE DEMOCRATS MUST INSTITUTE A PROGRAM THAT RESTORES DIGNITY TO THE QUALIFIED RECIPIENT AND PEACE OF MIND TO THE TAXPAYER.
- SOCIAL SECURITY BENEFITS MUST BE INCREASED--COST OF LIVING.
- GREATER NEED FOR FOOD STAMPS AND SCHOOL LUNCH PROGRAMS--NO AMERICAN SHOULD GO HUNGRY OR SUFFER FROM CHRONIC MALNUTRITION--COST TO THE NATION IS MANPOWER AND BRAINPOWER--STUNTED AMERICAN CHILDREN.

001000

. LAW AND JUSTICE:

- WE NEED A SINGLE, UNIFIED, GOAL DIRECTED SYSTEM.
- A SYSTEM THAT IS AS INTERESTED IN REHABILITATION AS IT IS IN CAPTURE AND PUNISHMENT.
- JUVENILES MUST BE HELPED BEFORE THEY BECOME HARDENED.
- DRUG ADDICTS MUST BE HELPED AND THE CYCLE X OF CRIME AND ADDICTION MUST BE BROKEN.
- COURT DELAYS MUST BE ELIMINATED.
- CORRECTIONS MUST BE RELATED TO THE COMMUNITY.
- REHABILITATION SHOULD RETURN PEOPLE WITH RESPECT FOR THEMSELVES AND THE RIGHTS X OF OTHERS.

7. URBAN-RURAL ENVIRONMENT.

001001

- WE MUST INITIATE AND FOLLOW THROUGH ON LONG TERM PROGRAMS FOR OUR X URBAN-RURAL ENVIRONMENT:
 - PROGRAMS FOR HOUSING.
 - FOR TRANSPORTATION.
 - URBAN RENEWAL
 - PUBLIC SERVICES
 - MANPOWER DEVELOPMENT
 - ECONOMIC DEVELOPMENT.
- PUBLIC FACILITIES AND SERVICES MUST KEEP PACE WITH PRIVATE DEVELOPMENT. THEY ARE COMPLIMENTARY
- LEADERSHIP, COMMITMENT, AND SACRIFICE NEEDED.

001002

REVENUE SHARING.

- WE HAVE CATALOGUED THE NEEDS OF OUR STATES AND LOCAL GOVERNMENTS.
- LOCAL REVENUE BASES ARE ERODED AND STRETCHED TO THE BREAKING POINT.
- WHAT IS NEEDED IS ADDITIONAL FUNDS ON A GRANT BASIS.
- THESE GRANTS SHOULD PROVIDE THE INCENTIVE FOR LOCAL GOVERNMENTS TO MODERNIZE.
- HUMPHREY-REUSS BILL WILL DO THIS AND PROVIDE \$3, 5, 7, AND 9 BILLIONS OVER A ~~XXX~~ FOUR YEAR PERIOD--NO STRINGS ATTACHED.

001003

THE "ECONOMY GAME" -- WHO'S WINNING?
REMARKS OF THE HON. HUBERT H. HUMPHREY
NATIONAL PLANNING COMMITTEE OF THE
MACHINISTS NON-PARTISAN POLITICAL LEAGUE
FEBRUARY 4, 1971
WASHINGTON, D. C.

THE ADMINISTRATION'S ECONOMIC MANAGERS HERE IN
WASHINGTON ARE PLAYING A GAME, A GAME THAT IS SUPPOSEDLY
DESIGNED TO SLOW THE PRICE SPIRAL AND REDUCE UNEMPLOYMENT,
BUT IS PRESENTLY ROBBING ALL OF US OF SUBSTANTIAL PORTIONS
OF OUR EARNED INCOME.

AFTER ALMOST 2 YEARS OF THIS GAME ALL I SEE ARE ~~more~~
~~more~~ ~~BUNCH OF~~ ECONOMIC LOSERS, ~~PLUS~~. EACH AND EVERY AMERICAN
IS PAYING FOR ADMITTANCE TO THIS GAME ONLY TO SEE
DEMAND-PULL AND COST-PUSH, THE NEW FOUR HORSEMEN OF
INFLATION, WIN EVERY SCRIMMAGE. WE TAXPAYERS AND WORKERS

201-29

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HAVEN'T MADE A POINT OR A SINGLE FIRST DOWN -- WE HAVEN'T
EVEN HAD POSSESSION OF THE BALL.

BEFORE WE WENT INTO THIS ILL-ADVISED "GAME" -- AFTER
CHANGING OUR LINE-UP RATHER UNPROFESSIONALLY, I MIGHT ADD --
WE HAD A GREAT ECONOMIC RECORD, PROSPERITY WAS PERVASIVE

AND REAL. THE KENNEDY-JOHNSON-HUMPHREY YEARS WERE THE *represented*
solid economic progress,
~~TYPE OF YEARS SYNONOMOUS WITH DEMOCRATS -- PROSPEROUS FOR~~
despite some inflation.
~~ALL AMERICANS.~~

-- REAL PRODUCTION WAS RAISED BY ONE-HALF;

-- DISPOSABLE REAL INCOME INCREASED BY ONE-THIRD;

-- GAINS IN REAL INCOME OUTPACED PRICE EROSION EVERY
YEAR;

MORE

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-- REAL INCOME PER FARMER WAS AT A LEVEL PREVIOUSLY
TOPPED ONLY IN 1966.

-- CORPORATE PROFITS BEFORE TAXES EXCEEDED \$90 BILLION
FOR THE FIRST TIME IN HISTORY;

-- AND -- UNEMPLOYMENT WAS DOWN TO 3.5% -- THE LOWEST

1951-52
SINCE THE ~~KOREAN WAR ECONOMIC SWELL~~.

WE DID HAVE A RAPIDLY EXPANDING ECONOMY WITH A GROWTH
RATE THAT COULD BE MAINTAINED AND MODERATED SOMEWHAT BUT
THAT REQUIRED KEEPING ANNUAL PRICE INCREASES TO BETWEEN
2 1/2 AND 3 1/2 PER CENT.

BUT THE JOHNSON ADMINISTRATION MADE VERY CLEAR THAT
GOVERNMENT ALONE COULD NOT CONTROL INFLATION BY "FINE
TUNING" VIA ITS MONETARY AND FISCAL TOOLS.

001006

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BROAD POLICIES CAN BE IMPLEMENTED BUT THEY ARE NOT
COMPLETELY EFFECTIVE WITHOUT THE COOPERATION OF THE
PRIVATE SECTOR. THE SCIENCE OF ECONOMICS HAS NOT YET
REACHED THE POINT WHERE PREDICTIONS PERMIT EXACT AND

WHAT GOVERNMENT MUST HAVE ~~AND WHAT THE NATION MUST~~
~~HAVE~~ IN THIS FIGHT AGAINST INFLATION IS THE COOPERATION OF
LABOR AND MANAGEMENT. THE JOHNSON ~~HUMPHREY~~ ADMINISTRATION
REALIZED THIS. "JAWBONING" WAS A HIGHLY DEVELOPED ART IN
THOSE DAYS -- AS I'M SURE YOU ALL RECALL.

WE ARE FACED WITH A SERIOUS ECONOMIC PROBLEM IN THIS NATION TODAY. BUT WHAT SPECIFIC STEPS HAVE BEEN TAKEN, VIA THE "GAME PLAN," EFFECTIVELY TO CONTROL THE WAGE-PRICE SPIRAL AND HIGH UNEMPLOYMENT AND TO STIMULATE A STAGNANT ECONOMY?

THE ADMINISTRATION MAKES PROMISES OF **DOING** MUCH TO CURE THE ECONOMIC ILLS OF THE NATION.

THE PRESIDENT IN HIS FIRST NEWS CONFERENCE STATED FLATLY: "WE CAN CONTROL INFLATION WITHOUT AN INCREASE IN UNEMPLOYMENT."

THESE ARE FINE-SOUNDING DECLARATIONS, BUT THE POWERS AND PREROGATIVES OF THE PRESIDENT DO NOT PERMIT THE INCUMBENT TO MAKE THINGS SO BY WISHING THEM SO.

AND SO THE ECONOMY STUBBORNLY WORSENS INSTEAD OF IMPROVING.

WE ARE TOLD THAT THE BUDGET FOR FISCAL 1972 IS AN EXPANSIONARY ONE -- A FULL-EMPLOYMENT BUDGET. I THINK THIS IS ANOTHER WAY FOR THE ADMINISTRATION TO COVER UP THE FACT THAT IT FULLY EXPECTS TO HAVE A DEFICIT IN THE NEIGHBORHOOD OF \$15 BILLION OR MORE.

"FULL EMPLOYMENT BUDGET" IS MERELY THIS DEFICIT IN DISGUISE.

BUT WHAT IS A FULL-EMPLOYMENT BUDGET? I REMEMBER MR. MCCrackEN STATING "FULL EMPLOYMENT" IS UNEMPLOYMENT OF AROUND 3.8% OF THE CIVILIAN WORK FORCE. WE ARE NOW TOLD THAT "FULL EMPLOYMENT" IS AROUND THE 4.5% "ZONE."

THIS MEANS THE ADMINISTRATION HAS BEEN UNABLE
EVEN TO APPROACH THEIR PROMISED LOW UNEMPLOYMENT
FIGURE. IT'S MUCH EASIER TO CHANGE THE DEFINITION
OF "FULL EMPLOYMENT." *than achieve it!* THIS IS FINE UNLESS YOU
HAPPEN TO BE ONE OF THE MILLION UNEMPLOYED
REPRESENTED BY THE DIFFERENCE BETWEEN 3.8% AND
4.7 OR 4.8%.

THIS IS THE QUESTION I THINK WE MUST ASK
OURSELVES WHEN CONSIDERING THIS "SELF-FULFILLING
DREAM OF ORDERLY EXPANSION": "IS IT REALLY A
REPUBLICAN CONVERSION TO KEYNESIAN ECONOMICS
OR IS IT A FACADE TO COVER UP INEVITABLE
•DEFICITS RESULTING FROM REPUBLICAN MISMANAGEMENT
OF THE ECONOMY?•

I TRUST IT IS A TRUE CONVERSION. I TRUST IT DOES NOT REPRESENT ANOTHER ATTEMPT TO STIMULATE GROWTH AND CREATE PROSPERITY BY FILLING AMERICANS WITH FALSE HOPES OF SWIFT ECONOMIC RECOVERY -- ANOTHER ATTEMPT TO GET THE CONSUMER BUYING AND THE BUSINESSMAN INVESTING BY TRYING TO MAKE GOOD TIMES APPEAR BY WISHING HARD ENOUGH FOR THEM.

I PERSONALLY BELIEVE IN THE POWER OF POSITIVE THINKING. I BELIEVE THAT FAITH CAN MOVE MOUNTAINS. BUT, SAD TO SAY, ~~MY FRIENDS~~, THE ECONOMY HAS PROVEN TO BE, AT BEST, AN AGNOSTIC.

HOWEVER, WE WERE PLEASED THEN BY THESE PROMISES AS WE WERE LATER ASTOUNDED BY THE CARTE BLANCHE FOR PRICE AND WAGE[?](GOUGES) CONTAINED IN THIS STATEMENT OF THE PRESIDENT ON JANUARY 27, 1969:

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"I DO NOT GO ALONG WITH THE SUGGESTION THAT
INFLATION ~~can~~ ^{can} EFFECTIVELY BE CONTROLLED BY
EXHORTING LABOR AND MANAGEMENT AND INDUSTRY TO
FOLLOW CERTAIN GUIDELINES . . . THE LEADERS OF
LABOR AND THE LEADERS OF MANAGEMENT, MUCH AS THEY
MIGHT PERSONALLY WANT TO DO WHAT IS IN THE BEST
INTERESTS OF THE NATION, HAVE TO BE GUIDED BY THE
INTERESTS OF THE ORGANIZATION THAT THEY REPRESENT."

I SUGGEST TO YOU LABOR LEADERS OF THE NATION
THAT THIS IS AN INVITATION TO HIGHLY INFLATIONARY
WAGE SETTLEMENTS AND PRICE INCREASES. THE
PRESIDENT HAS SAID TO LABOR AND MANAGEMENT:
"DO IT TO THEM, BEFORE THEY DO IT TO YOU."
APPARENTLY BOTH SIDES OF THE TABLE STARTED DOING
JUST THAT.

I NEEDN'T GO INTO RECENT WAGE SETTLEMENTS. WE ARE ALL AWARE OF THEM. HOWEVER IN PRICES I HAVE SOME INTERESTING RELATIONSHIPS TO POINT OUT.

FOR EXAMPLE:

IN THE 1966-68 "JAWBONING" PERIOD, THE PRICE OF GASOLINE FELL .6% IN 1969 ALONE, DURING THE BEGINNING OF THIS POLICY OF "NO POLICY," THE PRICE ROSE 3.5%.

FINISHED STEEL PRICES ROSE 1.6% DURING 66-68; THEY ROSE 6.8% IN 69.

COPPER WIRE AND CABLE PRICES ROSE 1.7% DURING 66-68; THEY ROSE -- AND GET THIS -- 22.2% DURING 1969.

THESE INCREASES SHOW THAT FOR THESE ITEMS, THE EXTRA INCREASE, OVERALL, REPRESENTS BETWEEN $1/3$ AND $2/3$ OF THE TOTAL ACCELERATION.

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THE INCREASE IN STEEL IS PARTICULARLY SIGNIFICANT
WHEN YOU RECALL HOW MUCH OF OUR TOTAL INDUSTRIAL
OUTPUT USES THAT METAL. ~~THE~~ THE INCREASE IN
STEEL IS PAID FOR BY YOU AND ME WHEN WE BUY A CAR
OR AN APPLIANCE, OR BUILD A ^{house} ~~store~~ OR A SUPERMARKET.

YOU AND I ARE CONTINUING TO PAY THE PRICE OF
THIS PROLONGED IRRESPONSIBILITY -- WHOSE
RESPONSIBILITY BELONGS FIRST AND FOREMOST TO
THE PRESENT NATIONAL ADMINISTRATION.

NOW WHAT HAVE BEEN THE RESULTS OF THE "GAME
PLAN" OFFERED BY THE PRESENT ADMINISTRATION?

WELL RETURNING FROM THE ECONOMICS CLASS TO THE
GRIDIRON: THE SCORE IS ---- GAME PLAN ZERO --
BUT -- UNEMPLOYMENT -- APPROXIMATELY 6% -- HIGHEST
SINCE 1961, THE LAST REPUBLICAN RECESSION.

GROSS NATIONAL PRODUCT ---- SHOWING AN
ACTUAL DECREASE IN REAL GROWTH FOR THE FIRST TIME
SINCE 1958, THE NEXT TO THE LAST REPUBLICAN
RECESSION. THIS IS PARTICULARLY IRONIC SINCE
THE GNP IS STALLING DESPITE THAT FANCY NEW
GOP-GNP CLOCK THE ADMINISTRATION STARTED RUNNING--
APPARENTLY IN THE WRONG ECONOMIC TIME ZONE!

PRICES ---- NON-FOOD AND SERVICES -- UP TO AN
ANNUAL RATE OF 7.2%.

THESE THEN ARE THE RESULTS OF THE LEADERSHIP
VACUUM IN ECONOMIC POLICY:

- ACCELERATED AND UNDULY PROLONGED INFLATION;
- SOARING INTEREST RATES AND FINANCIAL
DISRUPTIONS;
- STAGNATION OF PRODUCTION AND JOBS, THE COST
OF WHICH CONTINUES TO GROW;
- POLICIES THAT HAVE REMAINED LONG ON HOPES
AND SHORT ON ACHIEVEMENTS."

THESE DESCRIPTIONS OF OUR GAME PLAN LOSSES ARE
BY GARDNER ACKLEY, WALTER HELLER AND ARTHUR OKUN,
ALL FORMER CHAIRMEN OF THE COUNCIL OF ECONOMIC
ADVISERS.

IT ISN'T OFTEN YOU GET THREE ECONOMISTS OF THAT STATURE TO AGREE ON THE WIND DIRECTION IN A GALE, SO I FIND THEIR EVALUATIONS AS CONVINCING AS I FIND THEM DISTURBING.

THESE STATISTICS, COMPARISONS, AND EVALUATIONS OF THE WAGE-PRICE SPIRAL, UNEMPLOYMENT, RETURN ON INVESTMENT, CORPORATE PROFITS, AND CAPACITY UTILIZATION -- ARE DISTURBING TO US ALL. WHETHER WE ARE A WIDOW LIVING ON SOCIAL SECURITY OR A CORPORATE MANAGER, WE ARE AFFECTED BY THIS INCREASING SLACK IN THE GREAT AMERICAN ECONOMY.

████ THIS SLACK, OR GNP GAP, AS IT IS CALLED, COSTS AMERICANS \$60 BILLION IN 1970. SHOULD THIS RATE OF ECONOMIC NON-GROWTH OR STAGNATION CONTINUE, IT WILL HAVE COST US APPROXIMATELY \$120 BILLION BY THE END OF CALENDAR 1971.

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THINK OF IT! \$120 BILLION.

-- OVER \$50 BILLION IN REAL INCOME THAT
AMERICANS WILL NEVER SPEND;

-- OVER \$18 BILLION IN AFTER-TAX CORPORATE
PROFITS;

-- OVER \$5 BILLION THAT OUR CRISIS-RIDDEN
STATE AND LOCAL GOVERNMENTS WILL NEVER COLLECT IN
TAXES;

AND -- OVER \$28 BILLION THAT CANNOT BE USED TO
FINANCE THE FEDERAL PROGRAMS THIS NATION MUST CONTINUE
AND EXPAND IF WE ARE TO PROVIDE THAT LIFE OF QUALITY
TO ALL AMERICANS.

LOOKING AT THE \$15 BILLION LOST THIS YEAR IN
FEDERAL REVENUES, BECAUSE OF THE ADMINISTRATION'S
FAILURE TO PROVIDE THE NECESSARY LEADERSHIP, IS
SURELY THEIR JUST REWARD FOR THAT FAILURE. IT
WOULD JUST ABOUT COVER THE PROJECTED BUDGET DEFICIT
FOR FISCAL 1971.

BUT MORE TO THE POINT, THIS LOSS CAN NEVER BE
RECOVERED TO FINANCE EDUCATION, HEALTH RESEARCH
AND SERVICES, TOTAL EQUAL OPPORTUNITY, DEVELOPMENT
OF OUR OWN NATIONAL POTENTIAL AND THE POTENTIALS
OF EMERGING NATIONS THROUGHOUT THE COMMUNITY OF MAN.

WE MUST HELP THEM ALSO, IF FOR NO OTHER REASON THAN
OUR OWN BEST ECONOMIC AND FOREIGN POLICY INTERESTS.

APPARENTLY, AS A RESULT OF ALL-BUT UNIVERSAL
URGING, THE ADMINISTRATION FINALLY DECIDED THAT

HAND-WRINGING AND EXPRESSIONS OF PERSONAL PIQUE AND SORROW ARE NOT ENOUGH TO ESTABLISH ECONOMIC STABILITY OR INDUCE RESTRAINT ON THE PART OF LABOR AND MANAGEMENT. AS I MENTIONED EARLIER, THE BUDGET PROJECTS DEFICIT SPENDING OF AROUND \$15 BILLION.

ON MONETARY POLICY, THE FED. SHOULD BECOME SOMEWHAT MORE LIBERAL THAN IT IS AT PRESENT. IT WILL BE NECESSARY FOR THE MONEY SUPPLY TO INCREASE AT LEAST BY 5% TO SUPPORT AN ECONOMY THAT MUST RECOVER ABOUT 6% IN CURRENT PRICES. SOME EXPERTS FEEL THAT THE BEST MEDIAN GROWTH RATE TO FOCUS ON IS 8%. TO REACH "FULL-EMPLOYMENT" BY MID-1972 WOULD REQUIRE AN INCREASE ON THE ORDER OF 10%.

SUCH INCREASES -- 8% OR 10% -- HOWEVER, ARE NOT ABOUT TO BE FORTHCOMING, PARTICULARLY IN THE ABSENCE OF ^{? self-}(SEVERE) RESTRAINTS ^{by}~~on~~ BUSINESS AND LABOR IN PRICES AND WAGES. CHAIRMAN ARTHUR BURNS OF THE FED. HAS RULED OUT SUCH INCREASES AS HIGHLY INFLATIONARY.

CLEARLY, MONETARY POLICY CANNOT BALANCE THE ECONOMY ALONE. FISCAL POLICY AS WE HAVE SEEN DEMONSTRATED THESE PAST TWO YEARS, CANNOT DO IT ALONE. EVEN THE TWO IN PERFECT BALANCE CANNOT RETURN PRICE INCREASE AND UNEMPLOYMENT RATES TO ACCEPTABLE LEVELS.

WHAT THEN IS LEFT TO PLACE IN THIS SEEMINGLY UNSOLVABLE EQUATION? WHAT IS THE MISSING FACTOR OR SPARK?

WHAT DOES THE ECONOMY AND WE WHO MAKE UP THAT
ECONOMY NEED?

WE NEED LEADERSHIP!

WE NEED THE LEADERSHIP OF A COURAGEOUS INCOMES
POLICY, EXERCISING RESTRAINT OVER WAGES AND PRICES!

THE PRESIDENT MUST PLACE TEMPORARY POLITICAL
PAIN IN SECOND PLACE -- FOR A WHILE; IF NOT
FOREVER. FIRST PLACE -- FIRST PRIORITY MUST BE
GIVEN TO THE SOUND AND STEADY GROWTH OF THE
ECONOMY -- WITH "FULL EMPLOYMENT" AND WAGE AND
PRICE STABILITY BASED ON PRODUCTIVITY AND
TECHNOLOGICAL ADVANCEMENTS.

WAGE AND PRICE GUIDELINES ARE AN ABSOLUTE MUST
FOR OUR RETURN TO THIS TYPE OF ECONOMIC STABILITY.

THE PRESIDENT MUST REALIZE THIS AND IMPLEMENT
SUCH A POLICY SOON.

THE LIST OF THOSE URGING THIS TYPE OF LEADERSHIP
READS LIKE THE CANON OF SAINTS IN THE CATHOLIC
MASS. EVERY RESPONSIBLE NATIONAL BODY POLITIC
HAS URGED THIS COURSE OF ACTION.

THE CONGRESS HAS PASSED LEGISLATION GIVING
THE PRESIDENT STATUTORY "FREEZING POWER" OVER
WAGES AND PRICES AND CONTROLS OVER ALLOCATION
OF CREDIT. HE SIGNED THE BILLS WHILE SAYING HE
WOULD NEVER USE THE POWERS THEY CONFERRED.

YET LEADERS IN THE CONGRESS -- BOTH
DEMOCRATIC AND REPUBLICAN -- HAVE URGED AN INCOMES
POLICY CONTINUALLY.

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I URGE THE PRESIDENT TO LOOK AGAIN AT WHAT THE "GAME PLAN" HAS DONE TO THE AMERICAN ECONOMY. I URGE HIM TO EXAMINE THE RECOMMENDATIONS OF THE CONGRESS, THE C.E.D. AND THE CHAIRMAN OF THE FEDERAL RESERVE BOARD. I FIRMLY BELIEVE THAT ESTABLISHMENT OF ^{the type of} ~~SUCH A~~ WAGE AND PRICE BOARD RECOMMENDED BY THE C.E.D. AND REINFORCED BY MR. BURNS WOULD BE THE MOST EFFECTIVE MEANS TO SIGNAL THE NATION AND THE WORLD THAT THE POLICY OF "NO POLICY" HAS COME TO AN END.

IT'S TIME FOR THE PRESIDENT TO LAY IT ON THE LINE WITH THE AMERICAN PEOPLE, TO TELL US WHAT RESPONSIBILITY HE IS WILLING TO ACCEPT AND WHAT STEPS HE IS WILLING TO TAKE.

WHAT WE NOW HAVE IS A CRISIS OF CONFIDENCE.
IF PRESIDENT NIXON CONTINUES SAYING EVERYTHING
IS WORKING OUT ACCORDING TO PLAN, THIS CRISIS --
THIS LACK OF CONFIDENCE IN NIXON ECONOMIC POLICIES --
WILL CONTINUE.

YOU ARE LEADERS IN ~~BUSINESS AND LABOUR~~ *and union.*
COMMUNITIES? YOUR VOICES ARE LISTENED TO AND

HEEDED. ~~YOU TOUCH MANY BUSINESSES AND MANY~~

~~PEOPLE.~~ YOU REALIZE WHAT INFLATION IS DOING TO THE
NATION.

LET LABOR BEGIN ITS OWN INCOMES POLICY --
LET LABOR SHOW THE WAY HERE TO THE ADMINISTRATION.

YOU BE THE LEADERS. DEMONSTRATE YOUR LONG-
TERM ECONOMIC AND DEMOCRATIC WISDOM.

THE COUNTRY NEEDS THIS WISDOM. THE PEOPLE
NEED THIS LEADERSHIP. IF THOSE WHO ARE SUPPOSED
TO PROVIDE IT ABDICATE THEIR RESPONSIBILITIES,
IT IS UP TO YOU TO REALIZE WHAT IS IN YOUR OWN
AND THE COUNTRY'S BEST INTERESTS.

WE SHOULD, EACH ONE OF US, BURN IN OUR ZEAL
TO SEE THIS GREAT PRODUCTIVE BLENDING OF THE MINDS,
HEARTS AND MUSCLE OF AMERICANS CONTINUE ITS
GROWTH. THE ECONOMY'S GROWTH IS OUR GROWTH. ITS
GROWTH IS A MEASURE OF OUR ABILITY, AS A NATION
AND AS INDIVIDUALS, TO ACCOMPLISH WHAT WE KNOW WE
CAN AND MUST ACCOMPLISH. ITS FAILURE TO GROW IS
OUR FAILURE.

ITS FAILURE TO GROW LEAVES UNDONE THOSE DEEDS THAT
ENHANCE THE QUALITY OF LIFE FOR ALL AMERICANS. AND
THOSE DEPRIVED ARE THOSE WHO CAN LEAST AFFORD
FURTHER DEPRIVATION OF MIND, BODY AND
SOUL -- DEPRIVATION THAT LONG AGO BECAME
INSTEAD A DEPREDATION.

WHEN TIMES ARE LEAN THOSE VOICELESS ONES --
THE POOR, THE DISADVANTAGED, THE UNEDUCATED, THE
HANDICAPPED -- ARE THE FIRST TO SUFFER -- THE
FIRST TO HAVE THEIR PART OF THE AMERICAN DREAM
DISAPPEAR IN A FLASH -- ONLY A BITTER AFTER-TASTE
LINGERING ON. A "PRESENT HOPE -- THEIR FUTURE
SORROW." (T. S. ELIOT -- MURDER IN THE CATHEDRAL.)



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