

Some wanted
a speaker -
Some did not

Handwritten signatures:

Henderson
Dean
Dunkley
Wright
Rogers

NEW OFFICERS

UTIONS, FORECASTS

DYONE

AND PREDICTIONS. THIS SEEMS TO BE TRUE FOR NEARLY EVERYONE --

TALKING ABOUT THE NEW YEAR AND WHAT IT LOOKS LIKE TO HIM OR WILL MEAN

Sam Stinebaugh

WELL, I DON'T THINK I WILL JOIN IN THE CHORUS. LAST YEAR

"My Rule"
many of you.

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SO I DON'T THINK IT WOULD BE TOO USEFUL TO START THIS YEAR OUT WITH ANY PREDICTIONS. THE ENERGY CRISIS, FOR ONE THING, HAS CLOUDED THE ENTIRE RANGE OF PREDICTIONS -- POLITICAL, ECONOMIC AND SOCIAL -- WHICH ARE USUALLY MADE ABOUT THIS TIME. WE SIMPLY DO NOT YET KNOW HOW SERIOUS IT WILL BE. AND MUCH STILL DEPENDS ON THE DURATION OF THE ARAB OIL EMBARGO, THE EFFECTIVENESS OF OUR CONSERVATION PROGRAM AND THE SUCCESS WE HAVE IN ADAPTING TO THESE NEW CONDITIONS. SO FEARLESS FORECASTING IS ONE FIELD I WILL BE HAPPY TO LEAVE TO THE PALM READERS, JEANNE DIXON AND THE ECONOMICS PROFESSORS WHO EARN THEIR LIVELIHOODS AT THE TRADE.

BUT PERHAPS WE COULD DO SOME LOOKING AHEAD -- NOT BY WAY OF PREDICTING WHAT WILL HAPPEN -- BUT IN AN EFFORT TO SPOT SOME GUIDEPOSTS FOR POLICY AND PLANNING WHICH WILL HELP DEAL WITH DEVELOPMENTS AS THEY OCCUR.

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I'D LIKE TODAY TO DISCUSS THE ECONOMY OF OUR COUNTRY IN 1974. FOR THE ECONOMY -- OUTSIDE OF OUR NATIONAL DEFENSE -- IS THE SINGLE MOST IMPORTANT FACTOR IN THE FUTURE WELL-BEING OF OUR PEOPLE. SOME MAY CLAIM THAT THE ECONOMY IS NOT REALLY ALL THAT INTERESTING. BUT THOSE OF US IN GOVERNMENT AND YOU AS BUSINESS LEADERS KNOW IT IS NOT ONLY INTERESTING, BUT IT IS VITAL. THE ECONOMY AND THE STATE OF ITS HEALTH TOUCH EACH AND EVERY ONE OF US AS CONSUMERS, AS BUSINESSMEN AND AS PARTICIPANTS IN THE POLITICAL PROCESS.

SO LET'S TAKE A LOOK AT THE AMERICAN ECONOMY IN THE COMING YEAR AND CONSIDER SOME OF THE POSSIBILITIES.

BELIEF IN FREE ENTERPRISE SYSTEM

LET ME SAY AT THE OUTSET THAT I BELIEVE THE FREE ENTERPRISE AMERICAN MARKET SYSTEM -- WITH ALL ITS FAULTS AND FRUSTRATIONS AND

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SURPRISES -- IS THE GREATEST, MOST EFFICIENT AND BENEFICIAL
ECONOMIC DEVICE EVER DEVELOPED SINCE THE FIRST CAVEMAN TRADED
A BEARSKIN FOR AN AXE HANDLE. IT HAS MORE EFFICIENTLY AND MORE
EFFECTIVELY DEALT WITH THE INTRICATE, COMPLEX AND CLOSELY INTERDEPENDENT
FACTORS OF SUPPLY AND DEMAND -- WITH MORE WIDESPREAD GOOD TO MORE
PEOPLE -- THAN ANY OTHER SYSTEM. SOCIALISM, COMMUNISM, FASCISM --
ALL THE OTHER SOCIAL AND POLITICAL SCHEMES PUT TOGETHER -- CANNOT MATCH
THE RESULTS OF OUR AMERICAN ECONOMY OVER THE PAST 200 YEARS. AND
I BELIEVE IT IS WORTH PRESERVING, AND WORTH FIGHTING FOR TO SECURE
IT FOR OUR FUTURE GENERATIONS.

PERHAPS IT SHOULD NOT BE NECESSARY FOR A PUBLIC FIGURE TO
COME BEFORE A BUSINESS GROUP HERE IN KANSAS AND MAKE SUCH A STATEMENT.

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BUT IN THE CLIMATE WHICH EXISTS TODAY IN AMERICA, I BELIEVE IT NEEDS SAYING. IT NEEDS REPETITION. AND IT SHOULD BE PART OF THE BASIC CREDENTIALS REQUIRED OF ANY INDIVIDUAL WHO HOLDS PUBLIC OFFICE OR SEEKS IT.

DANGEROUS DRIFT

FOR TODAY OUR NATION IS IN A STEADY BUT POWERFUL DRIFT AWAY FROM RELIANCE ON A FREE MARKET -- PRIVATE ENTERPRISE ECONOMY AND TOWARD ONE IN WHICH PUBLIC CONTROL AND CENTRAL DIRECTION WOULD DOMINATE.

NOW, OF COURSE, I AM SURE THAT MANY HERE TONIGHT WOULD SAY, YES, THE JOHN KENNETH GALBRAITHS, THE GEORGE MCGOVERNS, THE RALPH NADERS AND OTHERS OF THEIR PERSUASION ARE PUSHING US TO THE BRINK OF RUNAWAY SOCIALISM. AND I WOULD NOT WANT TO MINIMIZE THE IMPACT OF

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SOME OF THEIR WILDER PROPOSALS, PLATFORMS AND SCHEMES WOULD
HAVE ON OUR ECONOMIC SYSTEM.

BUT THERE ARE OTHER FACTORS, AND FAR MORE DISTURBING
ONES THAN THESE.

PRESSURES FROM BUSINESS

AND TO BE QUITE FRANK, SOME OF THEM STEM FROM THE BUSINESS
SECTOR ITSELF.

IN A RECENT HARVARD BUSINESS REVIEW ARTICLE, C. JACKSON GRAYSON
RELATED SOME OF HIS EXPERIENCES AS CHAIRMAN OF THE FEDERAL PRICE
COMMISSION DURING THE EARLY STAGES OF OUR CURRENT ECONOMIC CONTROLS.

ONE OF THE MOST DISTURBING POINTS HE DESCRIBED AS FOLLOWS:
"CONSCIOUSLY AND UNCONSCIOUSLY, BUSINESSMEN THEMSELVES ARE
ADDING TO THE PROBABILITY OF GREATER CENTRALIZATION OF ECONOMIC CONTROL
BY SEEKING WAYS TO REDUCE MARKET COMPETITION -- THE VERY KEYSTONE
WHICH THE CAPITALIST SYSTEM RESTS."

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MR. GRAYSON WENT ON TO DISCUSS INSTANCES WHEN BUSINESS
TURNED TO GOVERNMENT FOR ASSISTANCE -- SUCH AS SUBSIDIES, TARIFFS,
IMPORT QUOTAS, LICENSING AND FAIR TRADE LAWS -- WHICH HAVE THE END
EFFECT OF REDUCING COMPETITION.

LABOR'S INFLUENCE

BUT NOT ALL THE PRESSURE COMES FROM BUSINESS. LABOR,
WITH DEMANDS FOR FEATHERBEDDING, MINIMUM WAGE INCREASES AND OTHER
BENEFITS AND SALARY HIKEs NOT RELATED TO PRODUCTIVITY, ALSO CONTRIBUTES
ITS SHARE OF ANTI-COMPETITIVE PRESSURES.

EFFECT OF PUBLIC OPINION

AND THE PUBLIC AT LARGE, WITH ITS GROWING MISTRUST OF
BUSINESS AND LABOR LEADERSHIP, CONTRIBUTES PERHAPS THE MOST SERIOUS
OF ALL PRESSURES AGAINST THE FREE MARKET ECONOMY. A LOUIS HARRIS POLL

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PUBLISHED LAST YEAR SHOWED THAT PUBLIC CONFIDENCE IN BUSINESS EXECUTIVES SHRANK FROM 55 PER CENT IN 1966 TO ONLY 27 PER CENT IN 1973. OVER THE SAME PERIOD LABOR LEADERS SAW PUBLIC CONFIDENCE IN THEM DECLINE FROM 22 PER CENT TO 15 PER CENT.

THESE TRENDS HAVE IMPLICATIONS FAR BEYOND THE STANDING OF A FEW CORPORATION OR UNION LEADERS ON THE "TEN MOST ADMIRABLE LIST." FOR IF THE PEOPLE DO NOT HAVE FAITH IN MANAGEMENT AND LABOR LEADERS' ABILITY TO RUN OUR ECONOMY, THEN THEY WILL INEVITABLY TURN TO OTHER SOURCES OF DIRECTION -- AND THIS MEANS GOVERNMENT. AND THE POLLS BEAR THIS OUT -- SHOWING THAT 62 PER CENT OF THE PUBLIC FAVORED GOVERNMENT PRICE CONTROLS IN 1971.

ADDED TO THIS LOSS OF PUBLIC CONFIDENCE IN THE FREE ENTERPRISE SYSTEM ARE THE SWELLING DEMANDS BEING MADE ON IT AND THE REST OF OUR

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SOCIAL STRUCTURE FOR A WHOLE RANGE OF CONTRADICTIONARY RESULTS. GREATER INDIVIDUAL EQUALITY, MORE PERSONAL SECURITY, HIGHER LEVELS OF PUBLIC SERVICE AND MORE BOUNTIFUL GOODS AND SERVICES ARE BEING SOUGHT EVERYWHERE. BUT LOWER PRICES, REDUCED TAXES AND LESS INDIVIDUAL RESPONSIBILITY ARE ALL BEING DEMANDED IN THE SAME BREATH.

SO IN THE END BUSINESS, LABOR AND THE GENERAL DRIFT OF PUBLIC OPINION IN AMERICA CAN BE SEEN AS CONTRIBUTORS TO THE PRESSURES WORKING AGAINST OUR FREE ENTERPRISE SYSTEM AND ALL IT REPRESENTS.

BUT RATHER THAN STAND HERE TONIGHT AND DECRY THESE TRENDS AND FORCES, I BELIEVE WE SHOULD TRY TO SEE WHAT CAN BE DONE ABOUT THEM. AND WE SHOULD IDENTIFY THE STEPS THAT CAN AND SHOULD BE TAKEN TO CONDUCT THEM.

SO LET'S NOT ALL RUSH OUT TO THE BARNYARD AND JOIN CHICKEN LITTLE IN WATCHING THE SKY FALL. THAT FALLING SKY MAY ONLY BE THE

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COMET "KAHOUTEK." AND IT MAY ONLY BE A CONVENIENT SIGNAL THAT THE
TIME IS RIPE TO DO SOMETHING THAT WILL HELP STRENGTHEN FREE ENTERPRISE
IN AMERICA.

MAJOR OPPORTUNITY

AND I THINK THIS IS CORRECT. FOR WE ARE NOW APPROACHING
AN OPPORTUNITY TO CUT LOOSE A REAL MILLSTONE AROUND THE NECK OF
OUR ECONOMY AND GIVE IT A MUCH NEEDED BOOST TOWARD ITS TRADITIONAL
EFFECTIVENESS.

ON APRIL 30, LESS THAN FOUR MONTHS FROM TODAY, THE ECONOMIC
STABILIZATION ACT EXPIRES. AND WITH ITS EXPIRATION WILL COME THE END
OF PHASE IV, THE COST OF LIVING COUNCIL, ALL THE GUIDELINES, EXEMPTIONS,
APPEALS AND ASSORTED TRAPPINGS THAT WE HAVE LIVED WITH SINCE AUGUST 15,
1971.

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AND THIS WAGE-PRICE CONTROL SYSTEM MUST END, SO THE
FORCES OF THE FREE MARKET CAN AGAIN DO WHAT THEY ALONE CAN ACHIEVE:
MAKE AMERICA'S THE STRONGEST, MOST PROSPEROUS AND MOST EFFECTIVE
ECONOMY IN THE WORLD.

PERMANENT CONTROLS NOT INTENDED

NOW, I DO NOT SAY END CONTROLS, BECAUSE ALL CONTROLS ARE
BAD. WHEN PHASE I WAS PUT INTO EFFECT, IT WAS NECESSARY. OUR
ECONOMY -- AFTER 8 YEARS OF A GUNS-AND-BUTTER POLICY AT HOME AND
ABROAD -- WAS IN DANGEROUS CONDITION, AND STRONG MEASURES WERE NEEDED.
BUT THESE CONTROLS WERE NOT INTENDED TO BE PERMANENT. THEY WERE
MEANT TO BE EMERGENCY, STOP-GAP MEASURES. AND AFTER TWO-AND-A-HALF
YEARS IT IS NOW TIME TO RETIRE THESE CONTROLS TO THE HISTORY BOOKS AND
THE CLASSROOM LECTURES.

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X NO, I DO NOT SAY WE SHOULD END THESE CONTROLS BECAUSE
THEY ARE BAD IN AND OF THEMSELVES. BUT I DO SAY THAT CONTINUATION
OF THEM BEYOND THE CURRENT EXPIRATION DATE WOULD BE UNWISE AND WOULD
BE MUCH MORE DANGEROUS THAN WHATEVER RISKS MIGHT BE INVOLVED IN THEIR
REMOVAL.

DANGERS OF PERMANENT CONTROLS

THE DANGER IN EXTENDING THE LIFE OF THESE CONTROLS LIES IN
THE FACT THAT STRETCHING TEMPORARY CONTROLS BEYOND A "TEMPORARY
LIFETIME" MAKES THEM SEEM MORE LIKE PERMANENT FIXTURES IN THE MINDS
OF EVERYONE INVOLVED. AND THIS ONLY INCREASES THE PROBLEMS WHICH ARE
INHERENT IN ANY CONTROL SYSTEM. IT ACCELERATES THE DRIFT AWAY FROM THE
FREE, PRIVATE ENTERPRISE SYSTEM AND TOWARD A CONTROLLED, CENTRALLY-
MANAGED ECONOMY. I DO NOT SAY THIS TO RAISE ANY FALSE FEARS OR TO

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INDICATE THAT REMOVAL OF CONTROLS WILL SOLVE ALL OUR ECONOMIC PROBLEMS.

BUT LONG TERM CONTROLS DO CONCERN ME GREATLY, AND I BELIEVE THAT THE

FREE MARKET IS OUR BEST MECHANISM FOR DEALING WITH OUR ECONOMIC PROBLEMS.

MORE PROBLEMS THAN SOLUTIONS

FIRST, AS WE HAVE SO CLEARLY SEEN IN THE CASE OF FERTILIZER, METALS SUCH AS SCRAP STEEL, AND WOOD AND PAPER PRODUCTS, WAGE AND PRICE CONTROLS CREATE MAJOR, SERIOUS ECONOMIC DISLOCATIONS OVER THE LONG RUN. AND WITH EVERY DISLOCATION NEW PRESSURES ARISE FOR ADDITIONAL CONTROLS WITH ADDITIONAL DISLOCATIONS -- AND SO ON. THEY START A NEVER-ENDING CYCLE THAT CAN ONLY BE BROKEN BY DECONTROL AND ALLOWING OUR MARKETS TO FIND THEIR OWN EQUILIBRIUM.

CONFUSION OVER MARKET FUNCTIONS

A SECOND POINT TO CONSIDER IS THAT CONTROLS TEND TO CONFUSE PUBLIC UNDERSTANDING ABOUT THE DESIRABILITY OF SOME INCREASES IN WAGES

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AND PRICES. UNDER CONTROLS, ALL INCREASES ARE "BAD," SO EVERYONE COMES TO LOSE SIGHT OF THE RESOURCE ALLOCATION FUNCTION OF THE ECONOMY. BUT AFTER ALL THESE FLUCTUATIONS -- UP OR DOWN -- ARE THE WAY SUPPLY AND DEMAND ARE MATCHED. AND IF NOT MATCHED THEY WILL LEAD TO INEFFICIENT USES FOR RESOURCES, MANPOWER AND CAPITAL. AND LOSS OF EFFICIENCY SPELLS DISASTER FOR ANY BUSINESS OR ECONOMY.

PROFIT BECOMES A DIRTY WORD

ALSO, THE PUBLIC TENDS TO FORGET, UNDER WAGE-PRICE CONTROLS, WHAT PROFITS ARE ALL ABOUT. "PROFIT" BECOMES A DIRTY WORD -- REGARDLESS WHETHER IT COMES FROM HIGHER PRODUCTIVITY, A BETTER MOUSETRAP OR A BETTER IDEA. OF COURSE, PROFITEERING AND MONOPOLISTIC PRACTICES ARE NOT PART OF THE LEGITIMATE PROFIT STRUCTURE AND SHOULD BE ATTACKED. BUT IF YOU STIFLE THE BASIC LEGITIMATE PROFIT MOTIVE YOU

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ARE STRIKING AT THE HEART. OF THE PRINCIPLES OF INDIVIDUAL INITIATIVE,
PERSONAL ACHIEVEMENT AND EXCELLENCE WHICH ARE THE FOUNDATION OF NOT
ONLY OUR ECONOMY BUT OUR ENTIRE SOCIAL STRUCTURE.

SOCIAL AND POLITICAL SPRINGBOARDS

WE SHOULD BE AWARE, TOO, THAT WAGE-PRICE CONTROLS CAN EASILY
BECOME FOILS FOR POLITICAL OR SOCIAL CAUSES THAT ARE ENTIRELY UNRELATED
TO QUESTIONS OF ECONOMIC POLICY.

[STRING OUT THE DURATION OF THESE CONTROLS AND BEFORE LONG YOU
WILL HEAR CRIES THAT INDUSTRY "X" SHOULD NOT HAVE A PRICE INCREASE UNTIL
IT REDUCES ITS FACTORY'S POLLUTION LEVELS. UNION "Y's" WAGE INCREASES
WILL BE HELD HOSTAGE UNTIL ITS MINORITY APPRENTICESHIP QUOTAS ARE FILLED.]
THE POSSIBILITIES ARE PROBABLY LIMITED ONLY BY THE IMAGINATIONS OF

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AMENDMENT-WRITING LEGISLATORS AND REGULATION-DRAFTING BUREAUCRATS.

OF COURSE, THE OTHER ELEMENTS MIGHT BE ENTIRELY DESIRABLE IN THEIR OWN RIGHT, BUT TYING THEM TO ECONOMIC DECISIONS WOULD BE A POTENT PRESCRIPTION FOR CHAOS.

FALSE SECURITY MECHANISM

A LAST CONSIDERATION AGAINST THE CONTINUATION OF WAGE-PRICE CONTROLS IS THEIR TENDANCY TO BECOME A TOO CONVENIENT AND COMFORTABLE CUSHION AGAINST THE DANGERS AND UNCERTAINTIES OF A FREE MARKET.

HOW SMOOTH AND SIMPLE IT WOULD BE FOR A BUSINESSMAN TO RELY ON TELLING HIS EMPLOYEES "I CAN'T GIVE YOU MORE THAN A FIVE-AND-A-HALF PER CENT RAISE, BECAUSE THE GOVERNMENT WON'T LET ME." HE MIGHT BE ABLE TO HOLD THEM TO FOUR PER CENT WITH SOME HARD-NOSED BARGAINING. BUT IT WOULD TAKE SOME EFFORT.

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AND ON THE OTHER HAND UNION LEADERS COULD TELL THE RANK-
AND-FILE, "THAT'S ALL THE GOVERNMENT WILL ALLOW," INSTEAD OF HANGING
IN THERE AND HAMMERING OUT SIX PER CENT EARNED THROUGH PRODUCTIVITY.

THIS SORT OF THING COULD MAKE LIFE A LOT EASIER FOR MANY
WHO JUST WANT A SOFT RIDE AND DON'T REALLY WANT TO GO ALL OUT FOR WHAT
THEY THINK IS RIGHT OR WHAT THEY THINK THEY DESERVE. BUT THESE
AREN'T THE TYPES OF PEOPLE WHO BUILT THIS ECONOMY. AND THEY ARE NOT
THE TYPE IT NEEDS IN POSITIONS OF LEADERSHIP TODAY IF WE ARE TO BE STRONG
AND PROSPEROUS TOMORROW. NO, TODAY, THIS ECONOMY NEEDS THE GO-GETTERS,
THE SCRAPPERS AND THE LIVE WIRES WHO WILL GET THINGS MOVING AND MAKE
THE SYSTEM WORK. AND CONTROLS WITH THEIR AUTOMATIC, GUARANTEED, LIMITED
REWARDS AND RISKS FOR EVERYBODY WILL NOT PRODUCE THESE LEADERS.

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AND WITH THE LOSS OF THIS LEADERSHIP OUR VULNERABILITY TO WORLD-
WIDE COMPETITION WOULD GROW WITH EVERY PASSING DAY.

CONTROL PSYCHOLOGY

[THE LONGER WE LIVE WITH CONTROLS THE MORE SOME COME TO
THINK WE CAN'T LIVE WITHOUT THEM. MENTION REMOVAL EVEN TODAY AND SOME
WILL THROW UP THEIR HANDS IN ALARM OVER THE PROSPECTS OF RUNAWAY WAGES
AND RUNAWAY PRICES.

BUT TO MY MIND THIS ATTITUDE DOES NOT GIVE MUCH CREDIT TO THE
RESPONSIBILITY OR THE CAPABILITY OF THE LEADERS IN TODAY'S ECONOMY. I
BELIEVE THAT A DETERMINED EFFORT -- MUCH LIKE THE VOLUNTARY ENERGY
CONSERVATION EFFORT -- CAN KEEP THE LID ON WAGES AND PRICES. OF COURSE,
THERE MAY BE SOME PROBLEMS. BUT CONTROLS POSE A MUCH MORE SERIOUS AND

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SUBSTANTIAL THREAT TO THE NATION THAN THE ALTERNATIVE OF A FEW
BULGES IN A SOME OF THE ECONOMIC INDICATORS.

WAGE-PRICE CONTROLS SHOULD END

SO I SAY, COME APRIL 30 -- AND BEFORE THEN IF POSSIBLE --
LET'S HAVE GOVERNMENT OUT OF THE WAGE-PRICE CONTROL BUSINESS. PUT
THE COST OF LIVING COUNCIL UP ON THE SAME MUSEUM SHELF WITH THE O.P.A.

AND LET'S GET OUR ECONOMY BACK INTO FULL OPERATION WITH THE
EMPHASIS ON INDIVIDUAL INITIATIVE, THE CHANCE TO HAVE SUCCESS REWARDED
BY PROFIT AND THE OPPORTUNITY TO HAVE THE FORCES OF COMPETITION WEED
OUT THE INEFFICIENT, STIMULATE THE THE EFFECTIVE AND PROMOTE EXCELLENCE
IN OUR MARKETPLACE.

AFTER CONTROLS ENDED

AND WHAT COMES AFTER PHASE IV IS GONE?

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I WOULD SUGGEST THE FOLLOWING POINTS BOTH FOR GOVERNMENT
AND FOR THE PRIVATE SECTOR:

WATCHDOG MECHANISM

AS FAR AS GOVERNMENT IS CONCERNED, I BELIEVE SOME FORM
OF WATCHDOG ROLE ON WAGES AND PRICES IS CALLED FOR. IT MIGHT TAKE
THE FORM, AS SOME ARE SUGGESTING, OF A REVIEW BOARD TO SCRUTINIZE
CONTRACTS, PRICES AND WAGES AND DETERMINE THEIR CONSISTENCY WITH A
DEFINED NATIONAL POLICY. PRODUCTIVITY WILL HAVE TO BE THE KEY
TO JUSTIFYING FUTURE INCREASES. AND ANY REVIEW MECHANISM WILL NEED
TO BE GIVEN THE STATUS AND SUPPORT REQUIRED TO GET PUBLIC OPINION
BEHIND ITS FINDINGS.

STRONG ANTITRUST POLICY

A SECOND REQUIREMENT IS FOR A STRONG AND VIGOROUS FEDERAL
ANTITRUST POLICY. THE SHERMAN ACT, THE LANDRUM-GRIFFIN ACT AND

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THE TAFT-HARTLEY ACT ARE ALL ON THE STATUTE BOOKS AS SAFEGUARDS FOR OUR ECONOMIC SYSTEM. THEY WERE DESIGNED TO MAKE OUR SYSTEM WORK, NOT BY CHANGING ITS BASIC CHARACTER BUT BY ASSURING THAT COMPETITION WILL BE AN EFFECTIVE FORCE WITHIN IT. AND WITH DILIGENT ENFORCEMENT BEHIND THESE LAWS, I BELIEVE THEY PROVIDE A MUCH STRONGER GUARANTEE FOR BUSINESSMEN, FOR LABOR AND FOR THE CONSUMER PUBLIC THAN ANY TANGLE OF WAGE AND PRICE REGULATIONS.

GUIDEPOSTS OF POWELL MEMORANDUM


AS FAR AS THE BUSINESS SECTOR IS CONCERNED, I DO NOT THINK ANY BETTER ADVICE FOR CHARTING A FUTURE COURSE COULD BE FOUND THAN IN THE SO-CALLED POWELL MEMORANDUM. THIS DOCUMENT WAS PREPARED FOR THE U.S. CHAMBER OF COMMERCE BY LEWIS F. POWELL SHORTLY BEFORE HE WAS NOMINATED TO A SEAT ON THE U.S. SUPREME COURT.

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MR. POWELL'S MEMORANDUM IS A UNIQUE IDENTIFICATION OF THE PERILS FACED BY OUR ECONOMIC SYSTEM. AND IT SERVES AS A RINGING MANIFESTO FOR ACTION ON THE PART OF THE BUSINESS COMMUNITY TO COMBAT THESE DANGERS. IF TAKEN TO HEART NOT ONLY BY THE EXECUTIVES OF GENERAL MOTORS AND IBM, BUT BY EACH BUSINESSMAN AND BUSINESSWOMAN HERE IN SHAWNEE AND IN EVERY OTHER LOCAL AMERICAN LOCALITY -- IT MAY WELL BE REMEMBERED AS A DOCUMENT WHICH SPARKED THE REVITALIZATION OF AND MADE SECURE OUR WHOLE ECONOMIC SYSTEM.

IT CONTAINS NO MAGIC PRESCRIPTIONS FOR OVERNIGHT RESOLUTION OF EVERY PROBLEM. BUT IT DOES OUTLINE A COURSE OF ACTION, ADVOCACY AND INVOLVEMENT WHICH BUSINESS CAN AND MUST TAKE IF SURVIVAL, PROSPERITY AND A CONTINUED VOICE IN SHAPING THE FUTURE ARE EXPECTED.

IN ESSENCE IT SAYS TO BUSINESS "GET OFF YOUR TAILS AND GET BUSY MAKING YOUR VIEWS AND YOUR VALUES FELT IN THE MAINSTREAM OF AMERICAN



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LIFE." FROM THE CLASSROOM, TO THE COURTROOM, TO THE VOTING BOOTH,
THE POWELL MEMORANDUM CALLS ON BUSINESS TO JUMP IN WITH BOTH FEET
AND FIGHT FOR THE FREE ENTERPRISE SYSTEM.

I DON'T SEE HOW I CAN ADD MUCH TO THAT, EXCEPT TO SAY THAT
I AGREE WITH IT AND BELIEVE ITS MESSAGE CAME NOT A MOMENT TOO EARLY.

WE DO FACE CHALLENGES. WE DO FACE PERILS AND THREATS TO OUR WAY OF LI
WAY OF LIFE BOTH AT HOME AND ABROAD. BUT AMERICA WAS NOT BUILT BY
WAGE AND PRICE GUIDELINES. ITS ECONOMY HAS NOT GROWN TO ITS PRESENT
SIZE BY ANY GROUP OR SECTOR SITTING BACK AND ACCEPTING HANDOUTS
OR GIVEAWAYS.

AMERICA HAS REACHED ITS POSITION OF LEADERSHIP AND STRENGTH
TODAY THROUGH AGGRESSIVE, RESOURCEFUL AND FLEXIBLE APPROACHES TO
THE PROBLEMS IT HAS FACED. AND WHETHER WE LOOK AT KING GEORGE III's

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"LONG TRAIN OF ABUSES AND USURPATIONS" OR AT THE ARAB'S EMBARGO
OF CRUDE OIL AND PETROLEUM SHIPMENTS, WE SEE THE SAME REQUIREMENTS
FOR NATIONAL SURVIVAL AND SUCCESS.

A GREAT, GOOD NATION

I DO NOT BELIEVE AMERICA TODAY LACKS FOR ANY OF THESE
QUALITIES. OURS IS A GREAT COUNTRY, A STRONG COUNTRY AND A GOOD
COUNTRY. TOGETHER WE CAN MEET THESE CHALLENGES, AS LONG AS WE
MAINTAIN FAITH IN OUR PRINCIPLES AND A WILLINGNESS TO STAND UP FOR
THEM AT HOME AND ABROAD.

SO THIS WOULD BE MY VIEW FOR AMERICA IN 1974. I DO NOT
FOR A MOMENT THINK ALL OUR PROBLEMS ARE GOING TO EVAPORATE. I DON'T
BELIEVE THE ANSWERS WILL NECESSARILY BE EASY ONES. BUT I AM CONFIDENT
THAT -- INDIVIDUALLY AND AS A PEOPLE -- WE WILL SURVIVE THE PERILS,
OVERCOME THE CHALLENGES AND SUCCESSFULLY DEAL WITH THE QUESTIONS WHICH
FACE US.