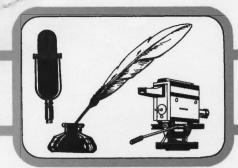
The original documents are located in Box D20, folder "Dinner for Representative Don H. Clausen, First District, at Santa Rosa, CA, April 15, 1966" of the Ford Congressional Papers: Press Secretary and Speech File at the Gerald R. Ford Presidential Library.

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## GERALD R. FORD

NEWS RELEASE

FOR RELEASE UPON DELIVERY OF SPEECH ON APRIL 15, 1966

SPEECH EXCERPTS -- DINNER FOR REP. DON H. CLAUSEN AT SANTA ROSA, FIRST DISTRICT

Let's not kid ourselves. We're in a wartime inflation.

During the four months, November through February, wholesale prices climbed at a 6 per cent annual rate. Now the Johnson-Humphrey Administration is trying to tell everyone the worst is over because wholesale prices leveled off in March.

It's a see-saw pattern, of course. It changes from month to month. But let's face it. We see the cost of living move steadily upward and we see left behind the old saw that "a penny saved is a penny earned."

Inflation is eating away at our savings and eroding the value of the dollar, and the primary cause of it is the Johnson-Humphrey Administration's passion for spending the taxpayer's dollar.

I predict the cost of living will jump at least 3 per cent the rest of this year. It all adds up to high living in the Johnson-Humphrey Administration's High Society--high living that flows from the Johnson-Humphrey Administration's high spending, high taxes, high prices--high living that is sweeping us toward higher prices, higher taxes, probable wage and price controls, and possibly a recession.

Lyndon Johnson is playing a shell game with the nation's taxpayers. Congress cut income taxes in 1964 and excise taxes in 1965, but how is it going to make those tax cuts stick?

Mr. Johnson, that great shell game operator, already has shown how good he is at this business of "now-you-see-it, now-you-don't." This spring he forced through Congress flashback tax boosts on telephone service and automobiles. Now he's talking about a \$5 billion income tax increase--and trying to wish it away by asking governors and mayors to hold back on spending and big businessmen to cut back on expansion plans.

As a kind of afterthought, he has even talked about cutting federal spending. We Republicans have tried to help him by proposing a 5 per cent across-the-board cut on all 1966-67 appropriations bills. But if Mr. Johnson has any intention of cutting federal spending, he hasn't given the word to his rubber-stamp, Democratic-controlled Congress. On the two House votes taken on the across-the-board cuts before the Easter Recess, Republicans went on record for spending cuts and Democrats for more spending.

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-2-

EXCERPTS-SANTA ROSA SPEECH BY HOUSE REPUBLICAN LEADER GERALD R. FORD.

While the Republican Party is achieving unity, the Democratic Party is falling into disarray. Disunity in the party in power can only hurt the nation.

The Democratic Party is torn asunder, particularly over Vietnam. We hear a Democratic senator speak scathingly about his Democratic president. We hear critical comments made by one Democratic senator about another. We hear Democrats in the House backtrack on support for the President on Vietnam.

The Democrats are divided and confused. Republicans, determined to keep the nation on the right course in Vietnam and to turn it back to the right path at home, are behaving responsibly.

There you have the national political picture in brief today--the Divided Democrats and the Responsible Republicans.

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There is confusion among the Democrats, and the man most responsible for it is Lyndon Johnson.

In trying to hold down prices, he has flogged business and labor to try to keep them within his 3.2 per cent guidelines while at the same time forcing up prices through irresponsible federal spending.

After a bit, he pretty much gave up on labor because AFL-CIO President

George Meany said to the Democratic Party: We don't need you as much as you need us.

Then Mr. Johnson started talking about a 5 to 7 per cent income tax increase. But this was bad, he found. It upset everybody, especially Democratic members of Congress who will be running for reelection this fall.

So Mr. Johnson tried to get off the higher income tax scare by going back to his jawbone technique--talk, talk, talk the nation out of inflation. It isn't working.

He only upset a lot more people. He upset housewives by implying they just weren't doing a sharp enough job of their shopping. He told them to put on their glasses, get out their pencils, buy cheaper cuts of meat. He upset the plans of state and local governments to build for the future. He upset businessmen's plans to expand.

Mr. Johnson is really confused. He seems to forget that his \$112.8 billion budget calls for \$3.2 billion in new spending for Great Society programs while a war is going on in Vietnam. It's he who should get out the sharp pencil.

Is Mr. Johnson confused? You bet he is. Is this any way to run the country? You bet it isn't.

Is there any excuse for raising taxes again this year? There is <u>not</u>. We could avoid a tax increase if Mr. Johnson and the Divided Democrats would cooperate with the Responsible Republicans.