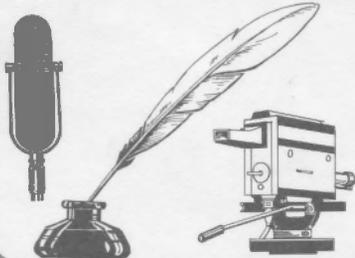


The original documents are located in Box D23, folder “Fund-Raising Dinner Honoring Representative James C. Gardner, Ashboro, NC, November 18, 1967” of the Ford Congressional Papers: Press Secretary and Speech File at the Gerald R. Ford Presidential Library.

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*Distribution: Full + 20 Mr. Ford
Mail - Fri. evening
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CONGRESSMAN
GERALD R. FORD
HOUSE REPUBLICAN LEADER

**NEWS
RELEASE**

--FOR RELEASE AT 6:30 P.M. SATURDAY--
November 18, 1967

Excerpts from a Speech by Rep. Gerald R. Ford, R-Mich., at a Fund-Raising Dinner Saturday evening, Nov. 18, 1967, at Ashboro, N.C., Honoring Rep. James C. Gardner, R-N.C.

It would be most helpful if President Johnson would only be honest about the fiscal mess into which he has plunged this country.

I doubt if very many Americans were fooled by the arm-waving, hand-clapping performance that Mr. Johnson gave during his press conference Friday in defense of his projected \$35 billion deficit (that's his figure, not mine). To be exact, he didn't really defend his \$35 billion deficit. He just scolded the Congress for cutting \$1 billion from his foreign aid bill and for refusing to raise income taxes while he refuses to hold down on spending.

It was flattering that the President should have singled me out as one of the chief opponents of his income tax increase. I didn't realize I had that much power in the 90th Congress. As I recall, the Democrats still are in control. So I guess the President just feels frustrated by the fact that he can't even sell his own party on the justification for a boost in income taxes.

Ironically, the President implied that the distinguished chairman of the House Ways and Means Committee, Democrat Wilbur Mills of Arkansas, is fiscally irresponsible. The President represents himself as being angry with Mr. Mills for refusing to push the proposed income tax increase.

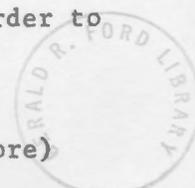
I understand that the President has made no real attempt to reach an understanding with Mr. Mills on a holddown in federal spending and a reappraisal of all government spending programs as suggested by Mr. Mills. This prompts the inevitable question: Is President Johnson really serious about wanting an income tax increase?

I cannot help but feel that if Mr. Johnson desperately wanted a tax increase he would make an all-out effort to work out an agreement on government spending and programs with Mr. Mills and thus enlist his support.

This is the mystery about Mr. Johnson's ostensible campaign for a tax increase. He is doing nothing to get the backing of the Ways and Means chairman, without whose support he has no prospect of success.

I suggest that Mr. Johnson is using Congress as a whipping boy in order to divert attention from his own fiscal blunders.

(more)



Who was it who rammed extravagant new domestic programs through the last Congress while pouring billions of dollars into the Vietnam War? Who is it who assures us this country can afford both guns and butter while fighting the third largest foreign war in its history? Who was it who poured government billions into the overheated American economy in 1966 while prices rose sharply and the value of the dollar dropped steadily? Who was it who denied the fires of inflation were raging, forced the Federal Reserve Board to tighten up the money supply and thus produced the highest interest rates in 40 years? Who was it who refused to ask for a tax increase last year but popped the question in January, after the election, while continuing with his guns-and-butter policy?

I say that Lyndon Johnson is the "spendingest" President this country has ever known.

Nobody believes the President anymore; his record for credibility is just that bad. And it keeps on getting worse, despite all of his lectures to the press. Nobody but the President and some of the officials in his Administration are responsible for the Johnson-Humphrey Credibility Gap.

At his press conference Friday the President said his tax increase proposal had been before the Congress since last January. The truth is that the President in January said he would ask for a six per cent income tax surcharge. The months passed and the President asked for nothing in the way of a tax increase. In August, nearly eight months later, the President sent Congress a tax message requesting a 10 per cent income tax surcharge. Hearings subsequently were held before the House Ways and Means Committee on the Administration's proposal. But at that time the tax increase bill had not even been introduced.

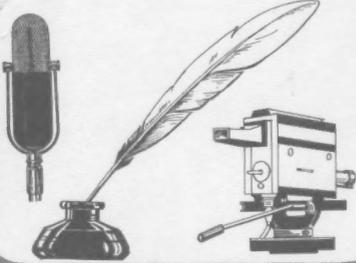
The Ways and Means Committee shelved the proposal on a vote of 20 to 5. Only five of the 15 Democrats on the committee voted against laying the proposal aside. Another way of putting it is that 10 Democrats and 10 Republicans voted to reject the President's tax increase.

When the President sent his tax increase to Congress in August, he promised a \$2 billion cut in federal spending--after Congress had passed all the appropriation bills. Yesterday he said Congress had cut spending by only \$1 billion. The truth is that Congress will have cut the President's 1968 budget by roughly \$6 billion before this session ends, for spending reductions in this fiscal year of about \$2½ billion. The President simply is not to be believed. I challenge him to cut spending an additional \$2 billion over and above the congressional reductions.

(more)

The issue is clear-cut. The President says he wants a tax increase and refuses to cut spending while predicting a \$35 billion deficit. The Congress wants spending cut before it will even consider a tax increase. The President talks of avoiding inflation through a tax increase while prices are rising at an annual rate of 4 per cent. Congress is acting to fight inflation by cutting federal spending \$2½ billion under heavy pressure from House Republicans. I'll let the American people decide who is demonstrating fiscal responsibility.

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