The original documents are located in Box D14, folder "Military Costs, March 13, 1951" of the Ford Congressional Papers: Press Secretary and Speech File at the Gerald R. Ford Presidential Library.

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GERALD R. FORD, JR. - MICHIGAR

MR. SPEAKER, the high cost of our military defense program should make us realize that inflation as well as Communist aggression is demoging our national security. In Jamuary of this year President Truman in his budget message told the country the United States could get along with 41 billion for military outlays in the next fiscal year. From recent statements by the Fentagon and other official sources it appears that the President will now ask for even a larger military budget in fiscal 1952.

Defense planners contend that the cost of weepens and defense equipment is rising for faster than was anticipated. The Pentagon budget experts point out that every time raw material prices and wages increase, the cost of weepens rises. For exemple, the Army is now paying \$250,000 for a heavy anti-aircraft gam that cost \$160,000 before the Korean war began.

A recent Navy directive to "all hands" illustrates the problem more vividly. The clothing costs for one enlisted man have jumped from \$118.00 to \$254.75. Blanksts have seemed from \$6.00 to \$20.00.

At the end of World War II a fighter plane cost \$53,000. New our fighter planes cost \$218,000. A medium bomber cost has risen from \$165,000 to \$2,500,000.

The effect of this inflationary price increase is devastating both on our military plane and our demestic economy. The military appropriations approved just before the Korean war, these approved by Congress since July of 1950 and these now proposed will buy far less than was originally contemplated. In effect, inflation by increasing the cost of guns, planes



and ships, has decreased our military strength just as the Chinese Communists have done in the Korean stalemate.

It is obvious the United States must overcome the dangers of inflation if we are to win the long pull against the Kremlin. Militarily the nation is stronger now then it was when the Roman War started, even though we have 50,000 excualties and losses in equipment, but demestically, because of inflation, we are in bad shape. Our fighting men in Korea have valiently met the Communists on the field of battle and have been successful despite the restrictions imposed on General MacArthur by the Department of State and the White House. At the same time the top administration bureaucrats and policy makers do little to stem the tide of inflation.

The President's outrageous 98 billion dollar budget is one of several basic causes of inflation. Rie budget does not call for any "tightening" of the government's belt. The Congress, Republicans and Democrats alike, must assume the job of reducing government expenses in an all-out effort to stave off further inflation.

In addition, the President must make full and effective use of the Defense Production act which Congress enacted in September of 1950. The Thite House has had the necessary authority to "held the line" for the last six menths without results. This delay has already cost the taxpeyers many millions and if the bungling continues conditions are bound to be verse. For the defense of America strong and effective action on the "home front" is long everdue. The tools are and have been available, when can the public expect action?

