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Excerpts from a

SPEECH BY HOUSE REPUBLICAN LEADER GERALD R. FORD BEFORE THE REPUBLICAN
WOMEN'S CONFERENCE - THURSDAY MORNING, MAY 3, 1966.

It is traditional that members of the minority party view with alarm while those in the majority point with pride. It might also be said--and indeed it should be pointed out--that the majority party glosses over its mistakes and seeks to put the best possible face on all of its actions.

As leader of the minority party in the House, I come before you today not as an alarmist although some will consider it such. I come before you to give you my assessment of the State of the Union--with the aim of putting this nation on the pathway to truth.

The Johnson Administration has set for itself the avowed purpose of building a "Great Society" in America.

The task of making America great turns on success in both domestic and foreign policy.

I submit that the Johnson Administration has blundered badly in both areas and that the American people will in time fully recognize this.

I say that the Johnson-Mumphrey Administration stands indicted on four major counts. Let me spell them out for all to know and ponder.



STATE OF THE UNION SPEECH

Count No. 1--This administration has failed to tell the people the truth about its actions, particularly in foreign affairs.

Count No. 2--This administration is failing to win the poverty war, running it so badly that the poor themselves are up in arms.

Count No. 3--This administration has failed to maintain price stability, insisting on expanding federal spending during a wartime boom that involves the outlay of a billion dollars a month for the war in Vietnam.

Count No. 4--This administration has failed to properly manage our military and foreign affairs. It is guilty of mistakes and omissions that add up to mismanagement by any clear definition of the term.

This is a failing administration. It has failed the American people, failed to deal adequately with both domestic and foreign problems. This is the current State of the Union.

~~###~~

The State of the Union is closely bound up with the war in Vietnam.

The nation is in a state of confusion, and the reasons are obvious. It is in a dangerous state of drift, of lack of clear purpose, of failure to perceive national goals.

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STATE OF THE UNION SPEECH

Chief reason for this state of confusion is the fussiness with which the president of the United States is conducting his office. This fussiness, I believe, is deliberate. In his view, I feel sure, it goes under the name of smart politics.

It is smart politics, the president apparently feels, to run the country on a business-as-usual basis. He has, in effect, tucked the Vietnam war in his pocket along with his polls and has told the American people: Now don't you worry about a thing; I'll take care of it.

We are at war, but the president doesn't want the people to think about it too much. The facts are we now have 255,000 Americans fighting on the ground in a little Asian country halfway around the world, and indications are the president will send another 50,000 to 100,000 of our young men into combat there.

We are in a wartime boom, enjoying a false prosperity.

The Johnson-Nimphrey Administration last month boasted that unemployment had dropped to 3.7 per cent. I am compelled to point out that this statistic has bleed on it. The low unemployment rate stemmed from a manpower shortage.

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STATE OF THE UNION SPEECH

The manpower shortage resulted from the wartime boom and the fact that 268,000 Americans were inducted into the Armed Forces during the previous 12 months.

* * *

I want to see an America in which every man or woman seeking a job can find employment at a decent, living wage in a nation at peace.

* * *

Americans are coming to doubt whether President Johnson's Great Society is a good society.

This is because indecision and mistakes in judgment have marked so many of the administration's actions.

We have slipped ever deeper into the morass of the Vietnam War. A majority of Americans support the why of our involvement in Vietnam. But it seems equally clear that few Americans understand the how of it.

They don't understand the how of it because the Johnson Administration has never really leveled with the American people about the Vietnam war.

The Johnson Administration has never taken the American people into its confidence. The result has been what United Nations Ambassador

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STATE OF THE UNION SPEECH

Archer Goldberg called "a crisis of confidence" and what I call an ever-widening credibility gap.

These are rather fancy terms. What do they mean? They mean the people just don't know what to believe because Johnson Administration officials have been wrong so many times. Sometimes they don't tell the whole truth. Sometimes they deliberately mislead. At other times they have simply been wrong.

Why are the American people becoming more and more uneasy about the direction in which this nation is headed? It is not easy to shake the confidence of the people in their government, but Administration officials are succeeding.

It was Mr. Infallible, Defense Secretary Robert S. McNamara, who said in October of 1963 that the bulk of American military forces--than mostly "advisers"--would be out of Vietnam by the end of 1965. We now have more than a quarter of a million men there with tens of thousands more slated to go to war and no end in sight.

It was Lyndon B. Johnson who was the apostle of restraint in discussing the Vietnam War during the 1964 campaign. In 1965 he was President Johnson--



STATE OF THE UNION SPEECH

no longer candidate Johnson--who escalated the war in Vietnam.

It was Lyndon B. Johnson who carefully stage-managed initial escalation of the Vietnam War by conducting a series of White House conferences last summer and issuing daily bulletins suggesting that the Reserves and the National Guard might be called up. He finally informed a relieved nation that we would step up the Vietnam War but would not call the Reserves and National Guard.

It was Secretary McNamara who recently denied angrily that the combat readiness of U.S. forces not already committed to Southeast Asia is greatly diminished. Yet the facts show there has been a continuous drawdown of men and material from Europe over a period of more than a year and a half.

It was Mr. Johnson who recently denied that his quickie conference with Premier Ky of South Vietnam had kindled political rivalries in that war-torn country and touched off the recent civil disorders there. His denial made one of the most respected newsmen in this country shake his head and wonder in print how Mr. Johnson could blandly reject all the evidence that his meeting with Ky had indeed led to the civil turmoil.

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It was Undersecretary of State George W. Ball who stated flatly on a recent nationwide television program that the civil unrest in Vietnam had not interfered one particle with the conduct of the war. The next day Assistant Secretary of Defense Arthur Sylvester confirmed that the civil disorder had definitely slowed the Vietnam war effort. A couple of days ago, Secretary McNamara reiterated this.

It was President Johnson who announced the landing of U.S. forces in the Dominican Republic and then told a news conference on June 17, 1965, that "some 1,500 innocent people were murdered and shot and their heads cut off." A State Department officer later said that "perhaps our Dominican embassy can be faulted for relaying unverified third-hand reports" about mass head-chopping.

Our foreign affairs are being badly handled--mishandled, if I may use that word.

There is not really much need for Republicans to point to mishandling in supplying our men in Vietnam with the proper weapons and equipment to carry out their duties fully and at the strategic time.

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STATE OF UNION SPEECH

Leading Democrats in Congress have become alarmed and are digging up increasing evidence of mismanagement by the Defense Department--mismanagement that goes far beyond the bomb shortages I called attention to on April 14.

By this time most Americans are familiar with the fact that the Defense Department sold more than 7,000 750-pound bombs to a West German fertilizer firm for \$1.70 each in April, 1964--bombs that cost us \$330 originally--and then bought them back for \$21 apiece last fall. Secretary McNamara himself revealed this after I had charged bomb shortages and mismanagement on April 14.

It is a Democrat, Sen. Ernest Gruening of Alaska, who on May 3 charged the Defense Department with spending hundreds of millions of dollars to replace still useful Army equipment and kept the repairable equipment from going to Vietnam where it was badly needed.

It was Sen. Gruening who declared that these Defense Department practices constitute "a fraud on the American people...a fraud on the American taxpayer... and a fraud on our boys in Vietnam."

It was a Democrat, Sen. John C. Stennis of Mississippi, who recently warned of a shortage of trained manpower for the Vietnam war and used the

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word "mismanagement" on a nationwide television program in discussing his preparedness subcommittee's findings after a year-long study of the problem. The Stennis subcommittee's investigation focused primarily on Secretary McNamara's order of last September 30-- scrapping 600 Army Reserve units. The findings show that only 783 men of the 55,000 whose Reserve units were abolished chose to join the National Guard. Of the others, 24,000 found places in continuing Reserve units but the remainder dropped their training.

It was a House Armed Services subcommittee headed by a Democrat, Rep. Otis G. Pike of New York, which last February 1 declared that U.S. foot soldiers "need and are entitled to better (air) support than they have received" in Vietnam.

It was a Democrat, Rep. Edward Hebert of Louisiana, who said he was "shocked" to learn that Secretary McNamara had decided to phase out the B-58 bomber without the support of the Joint Chiefs of Staff. And it was Rep. Hebert's subcommittee which recommended congressional review of major Defense Department decisions on weapons systems for fear that "through mistaken Executive Branch zeal for economy, our nation may be inadvertently stripped of its defenses."

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STATE OF UNION SPEECH

These men who have charged the Defense Department with mismanagement or poor judgment or worse are Democrats, not Republicans. Pentagon officials probably are telling each other these days: "With friends like these, who needs enemies!"

I applaud these hard-working Democratic committee chairmen who are digging up the facts on our conduct of the Vietnam War. They, like me, are hoping to put the people on the track of the truth.

* * *

While we are fighting the billion-dollar-a-month war in Vietnam, the cost of living keeps ballooning at home.

During the first three months of this year, consumer prices rose at the annual rate of 3.6 per cent over the 1957-59 period used as a base.

A Bureau of Labor Statistics official told me privately that it's a good guess Americans will have from three to five dollars of every hundred washed out of their earnings this year by inflation.

That's a high price to pay for having a president who is so enamored of consensus government and smart politics that he refuses to do anything

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STATE OF THE UNION SPEECH

about inflation except talk about it. It's a high price to pay for having a president who tries to browbeat everybody else into holding back on spending but does nothing about federal spending.

The Federal Reserve Board last December boosted interest rates. Now it's more expensive for the businessman and the farmer to borrow money, the increased cost of doing business is reflected in higher prices, and young married couples are being forced to pay steep interest rates if they borrow to buy or build a house.

The nation is squeezed between higher price tags and the high cost of credit. The rising cost of living hurts the old folks, those on fixed incomes, the most. The high cost of credit is hurting the young marrieds. Thank God if you're in the middle.

What about the poor? How are they faring under the multi-billion-dollar Johnson Administration program to lead them into the Great Society?

The poor may not be getting poorer, but they're still poor. The promise of the anti-poverty program has not brought them into the land of plenty.

Is it too early to expect solid results? It is not too early, nor is

(MORE)



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it too late to redirect the anti-poverty program into productive channels.

This is what we Republicans propose, because we are determined that the poverty war be won without further wasting of America's substance and its people.

There has been waste in the Johnson Administration's anti-poverty program. There have been abuses. There has been lavish spending. Inflated salaries are being paid to anti-poverty officials, in some instances to the point where the crack is made: If you want to get rich, join the general staff of the poverty war.

Perhaps the most glaring example of poverty war waste is the conversion of a rundown hotel at Charleston, West Virginia, into a women's job corps center.

The government spent \$225,000 to renovate the place, owned by the

Kanawha Hotel Company, and then leased it for \$94,800 a year. It just

is owned by a prominent West Virginia Democrat and
happens that the hotel ~~was~~ used as a Democratic presidential campaign

headquarters in 1960.

Under the Johnson Administration's poverty war, we have seen poverty fighters fighting each other and some of the poor rising up against their

STATE OF THE UNION SPEECH

general, Sargent Shriver. It is natural for the frustrated poor to cry out after expecting so much and getting so little.

The program has been poorly administered. It has been run like a public relations operation. Inordinate amounts of time and money have been spent on getting out fancy booklets extolling program accomplishments. At the same time, management problems have multiplied.

We Republicans want to help the poor. We believe the poverty war as set up by the Johnson Administration has become unmanageable and needs a new start.

Going, successful programs like Head Start should be turned over to other federal agencies. Only the community action program should remain with the Office of Economic Opportunity, with the requirement that community action boards include at least one-third representation of the poor. A state bonus plan would give additional money to those states matching it 50-50. This would make the states partners in the poverty war.

The compelling need in this nation today is to build a ^{good society} good society ~~—~~ for the employed-but-poor ^(—) and to provide good jobs for the unemployed.

(MORE)

STATE OF THE UNION SPEECH

The compelling need is to build a good society at peace with the world and with itself. We must find an end to war and dispel the nagging uneasiness that comes with a prosperity built on war. That is the State of the Union.





CONGRESSMAN
GERALD R. FORD
HOUSE REPUBLICAN LEADER

**NEWS
RELEASE**

FOR IMMEDIATE RELEASE, MAY 5, 1966

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The task of making America great turns on success in both domestic and foreign policy.

I submit that the Johnson Administration has blundered badly in both areas and that the American people will in time fully recognize this.

I say that the Johnson-Humphrey Administration stands indicted on four major counts. Let me spell them out for all to know and ponder.

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REPUBLICAN NATIONAL COMMITTEE

1625 EYE STREET, NORTHWEST, WASHINGTON, D. C. 20006

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NEWS



FOR RELEASE

May 5, 1966

FOR RELEASE: UPON DELIVERY

EXCERPTS BY HON. GERALD R. FORD, MINORITY LEADER, UNITED STATES HOUSE OF REPRESENTATIVES, 14th ANNUAL REPUBLICAN WOMEN'S CONFERENCE, SHERATON PARK HOTEL WASHINGTON, D. C., 10:30 a.m., Thursday, May 5, 1966.

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3. This Administration has failed to maintain price stability, insisting on non-military spending during a wartime crisis that involves a billion dollars a month for Vietnam.
4. This Administration has failed to properly manage our military and foreign affairs.

I have in my hand here the hearings of the House Committee of Merchant Marine and Fisheries, the Committee that has the responsibility for finding out whether or not we have a sound, adequate Merchant Marine for the United States. And let me assure you, these hearings point out beyond any doubt whatsoever the Defense Department under this Administration has played down the needs, the necessity for an adequate Merchant Marine.

Unfortunately, when the crisis has developed as it has, in South Viet Nam we are finding because of neglect our Merchant Marine under this Administration is not prepared to meet the challenge of the time. I say again this is a Democratic controlled Committee.

Let me add this. Secretary McNamara has been wrong before. Let me cite one instance. In October of 1963. He went on one of his numerous trips to South Viet Nam and when he returned from that trip, he told the press and the press reported it to all of us that things were going so well in South Viet Nam in 1963 that we as a nation could expect virtually all of our military forces returned from South Viet Nam by the end of 1965.

The Secretary was wrong and it just might be that he could be wrong again. Let me have this as my post script. Even if the questions raised by the Democrats and Republicans in the Congress cannot be fully justified -- I think they can be -- but I assume they can't be. I think it is the obligation of every Member of the Congress, Democratic or Republican, I believe it's the obligation of every member of the press that has any connection either in the Pentagon or South Viet Nam and it's the responsibility of every American to keep the spotlight on the Secretary of Defense and those working under him in civilian capacity. Why? Because the President has committed as of today, I think my figures are correct, the President has committed 255,000 of the finest American youth to Viet Nam and they deserve the best weapons on time that will work.

So I urge all of us in the capacities that we may hold today or hold tomorrow to keep that spotlight on those in positions of responsibility so that those who are fighting for us not only have all the weapons but one moral as well as other support.

The second indictment is the question of credibility. This Administration in my judgment has developed a credibility canyon not a credibility gap and let me give you one illustration. There are many, quite frankly.

On Sunday, April 10th, the Under Secretary of State, Mr. George Ball on one of the Sunday quiz programs "Face the Nation", said this, and let me read it .

"The interesting thing is, while the newspaper headlines have been filled with the political turbulence in South Viet Nam -- the very silent serious effective work looking toward the improvement of the social, economic, and political base in South Viet Nam has been going forward as have the military operations."

And then he concluded, "There has been no particular reduction in them".

Now on April 20, Secretary McNamara in testifying before the Senate Foreign Relations Committee had this to say, and I quote.

"Military operations have been at a lower level because of the political disorders in the last approximately two weeks. You can see that by the number of Viet Cong killed is off 40%. The number of weapons lost by Vietnamese forces, The number of weapons captured is also off by substantial amounts. This reduction in military activity is customary under conditions of political disorder. It has happened every other time we have had political disorders. "

And then on May 2 just a few days ago, the Secretary of Defense had this to say in speaking to the United States Chamber of Commerce, Washington, D.C. -- and again I quote.

"The tempo of military activities was adversely affected by the political disorders. We were near civil war at Da Nang one weekend. The northern part of the country was almost separated from the south -- rest of South Vietnam and the Ky government was almost overthrown."

The Undersecretary of State, Mr. Ball, says there were no problems created by the disorders. The Secretary of Defense says there were serious problems created by the disorders in South Vietnam. I simply ask this question:

Will the real Administration spokesman, please stand up.

You may remember President Johnson's State of the Union message earlier this year. I will never forget it, because speaking to the members of the House and Senate and others and to the American people, he turned and looked directly at the Republican side of the Chamber, and with somewhat of a hard, snarling look said in effect to the Republicans, whom will they sacrifice - the poor?

You also may remember in the State of the Union response that was given by Senator Dirksen and myself, our answer was a resounding no. But we did add as Republicans we will not sacrifice poor people but we will sacrifice poor administrators. We will sacrifice poor arithmetic in public accounting, and we will sacrifice those who don't do a good job.

Now let me tell you what has happened in the meantime. The Republicans in the House have what we call a Poverty Task Force under the extremely able, competent, diligent leadership of Congressman Charles Goodell of New York and Congressman Al Quie of Minnesota.

In the interim between January and now they have accumulated almost on a daily basis what they call poverty memos. That's a pretty sizeable group or piece of paper and it's not all we put together but in these poverty memos they point out day after day after day the failing of this program. The diversion of funds, the excessively high administrative costs, the political payoff, the failure to get the cooperation of the poor themselves. Yes, the Republicans will not sacrifice the poor but we will sacrifice the failure of the poverty program under the Johnson-Humphrey Administration.

I won't try to even summarize all of the areas that have been pointed out by the Goodell-Quie Subcommittee or Task Force but I think it is well to give you one or two examples.

On April 28th the poverty memo said, "Do you want a 57 per cent pay increase?" The answer is, "Join the staff of the job corps." The 208 staff personnel at Camp Gary, San Marcus, Texas drawing salaries over \$9,000 got an average of 57 per cent pay increase when they left their previous employment and went with the Job Corps. I think this is evidence of poor administration, the poor spending of the money and it is obvious when salaries are in this category the poor are not getting the help. But then let me give you an example that I think certainly smells of political favoritism. There is a high ranking Democratic politician up in the state of West Virginia. He owned a hotel which, as I understand it, was either closed or badly run down. It was valued at approximately \$250,000. The Job Corps signed a contract with this Democratic politician who owned the hotel. The Poverty Program put \$225,000 into it to bring it up to a livable standard and then agreed to pay an annual rent, I think for five years, of \$98,000 over twelve months. Fellow politics? I think the evidence on its face verifies and justifies the statements that have been made by many on the Republican side.

Now one other area I think should be of great concern and interest to you that I mentioned at the beginning, is the area of inflation, the increase in the cost of living that we see is hitting every family in every state through out the United States. In 1965 the cost of living went up two per cent which meant people with one dollar could buy two per cent less or they could only buy 98 per cent at the end of the year with the dollar they had at the beginning of the year. But this increase has accelerated in the three months since January 1. We had a point five per cent increase in the month of March. We had a point seven increase in the cost of living in the month of February. We had ^{no} increase in January and if you take the three-month

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period so far in 1966 and ^{3.6}analyze it by the end of this calendar year the cost of living will have gone up ~~four~~ ^{3.6} per cent. That's a six per cent gain in the cost of living. It is a six per cent increase in the cost of what our families have to buy throughout this country. Now the President, by word --by word -- I emphasize, has used the jaw bone technique to tell you housewives you ought to buy less or buy cheaper items. He has told business it should not expand. It should not increase its productive capacity. The President has reprimanded business for some price increases. The President has slapped on the wrist some labor organizations who have sought higher wages, but I have seen no real evidence whatsoever that President Johnson has done one thing to cut down or cut back federal spending in the non-military area.

Let me give you an example. Yesterday on the floor of the House we had aⁿ appropriation bill there where a democratic controlled committee added by half a billion dollars over and above the President's budget. There were three amendments offered yesterday by Republicans to reduce the committee action back to the President's budget. Not one single amendment to make a reduction came from the democratic side--not one and there was only one speech out of fifty or a hundred that were made yesterday by a Democrat talking about economy. Yes the prime cause of inflation today is the excessive increasing non-military spending of the Johnson Humphrey administration and we as Republicans have a responsibility to point this out to the American people. Let me give you one other illustration if I might.

Since January of this year there have been six votes on issues that involve spending more or less. Two appropriation bills. Four authorization bills, including the proposal by the White House for a mansion or whatever you want to call it for the Vice President at a cost of \$750,000. It was mentioned by someone that this could be categorized as a tepee for the V.P. But on these six votes I am glad to report to you that the Republicans in the House voted 93 per cent as savers and the Democrats voted 82 per cent as spenders so as we get close to the election of 1966 we, as Republicans, and every one of our fifty states can point to the Democratic administration in the White House, in the Congress, and say that it has been the responsibility of the Democrats as spenders who are responsible for one and probably two war time tax increases in 1966. And we as Republicans can point out that in this period when efforts have been made to cut back spending to hold the line that we as Republicans are savers and that we did all we could to prevent

one wartime tax increase and probably a second and that we as Republicans from all of the states that we represent have been the ones who have carried the ball to try and bring under control the ravages of inflation that are hitting each and every family in every state and as we go down the line I can tell you on behalf of the members of the House and the Senate, the Republican Party will continue to be the party of savers and the Democrats will continue to be the party of spenders.

Ladies and gentlemen it has been a great privilege and pleasure to be here. I end as I began --the compelling need for all of us, all Americans, is to continue to build a good society at peace with the world and itself. We must find an end to the conflict in Viet Nam. We must build up our strength to prevent Communistic terror and aggression elsewhere. We must build a prosperity based on a peace time economy. This is our aim and our objective.

I am confident that we as Republicans can look forward to success in 1966. We are going to build a Republican Party from the grass roots to the top and we are going to be successful from the court house to the Congress this year.



REPUBLICAN NATIONAL COMMITTEE

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NEWS



FOR RELEASE

May 5, 1966

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Unfortunately, when the crisis has developed as it has, in South Viet Nam we are finding because of neglect our Merchant Marine under this Administration is not prepared to meet the challenge of the time. I say again this is a Democratic controlled Committee.

Let me add this. Secretary McNamara has been wrong before. Let me cite one instance. In October of 1963. He went on one of his numerous trips to South Viet Nam and when he returned from that trip, he told the press and the press reported it to all of us that things were going so well in South Viet Nam in 1963 that we as a nation could expect virtually all of our military forces returned from South Viet Nam by the end of 1965.

The Secretary was wrong and it just might be that he could be wrong again. Let me have this as my post script. Even if the questions raised by the Democrats and Republicans in the Congress cannot be fully justified -- I think they can be -- but I assume they can't be. I think it is the obligation of every Member of the Congress, Democratic or Republican, I believe it's the obligation of every member of the press that has any connection either in the Pentagon or South Viet Nam and it's the responsibility of every American to keep the spotlight on the Secretary of Defense and those working under him in civilian capacity. Why? Because the President has committed as of today, I think my figures are correct, the President has committed 255,000 of the finest American youth to Viet Nam and they deserve the best weapons on time that will work.

So I urge all of us in the capacities that we may hold today or hold tomorrow to keep that spotlight on those in positions of responsibility so that those who are fighting for us not only have all the weapons but our moral as well as other support.

The second indictment is the question of credibility. This Administration in my judgment has developed a credibility canyon not a credibility gap and let me give you one illustration. There are many, quite frankly.

On Sunday, April 10th, the Under Secretary of State, Mr. George Ball on one of the Sunday quiz programs "Face the Nation", said this, and let me read it .

"The interesting thing is, while the newspaper headlines have been filled with the political turbulence in South Viet Nam -- the very silent serious effective work looking toward the improvement of the social, economic, and political base in South Viet Nam has been going forward as have the military operations."

And then he concluded, "There has been no particular reduction in them".

Now on April 20, Secretary McNamara in testifying before the Senate Foreign Relations Committee had this to say, and I quote.

"Military operations have been at a lower level because of the political disorders in the last approximately two weeks. You can see that by the number of Viet Cong killed is off 40%. The number of weapons lost by Vietnamese forces, The number of weapons captured is also off by substantial amounts. This reduction in military activity is customary under conditions of political disorder. It has happened every other time we have had political disorders. "

And then on May 2 just a few days ago, the Secretary of Defense had this to say in speaking to the United States Chamber of Commerce, Washington, D.C. -- and again I quote.

"The tempo of military activities was adversely affected by the political disorders. We were near civil war at Da Nang one weekend. The northern part of the country was almost separated from the south -- rest of South Vietnam and the Ky government was almost overthrown."

The Undersecretary of State, Mr. Ball, says there were no problems created by the disorders. The Secretary of Defense says there were serious problems created by the disorders in South Vietnam. I simply ask this question:

Will the real Administration spokesman please stand up.

You may remember President Johnson's State of the Union message earlier this year. I will never forget it, because speaking to the members of the House and Senate and others and to the American people, he turned and looked directly at the Republican side of the Chamber, and with somewhat of a hard, snarling look said in effect to the Republicans, whom will they sacrifice - the poor?

You also may remember in the State of the Union response that was given by Senator Dirksen and myself, our answer was a resounding no. But we did add as Republicans we will not sacrifice poor people but we will sacrifice poor administrators. We will sacrifice poor arithmetic in public accounting, and we will sacrifice those who don't do a good job.

Now let me tell you what has happened in the meantime. The Republicans in the House have what we call a Poverty Task Force under the extremely able, competent, diligent leadership of Congressman Charles Goodell of New York and Congressman Al Quie of Minnesota.

In the interim between January and now they have accumulated almost on a daily basis what they call poverty memos. That's a pretty sizeable group or piece of paper and it's not all we put together but in these poverty memos they point out day after day after day the failing of this program. The diversion of funds, the excessively high administrative costs, the political payoff, the failure to get the cooperation of the poor themselves. Yes, the Republicans will not sacrifice the poor but we will sacrifice the failure of the poverty program under the Johnson-Humphrey Administration.

I won't try to even summarize all of the areas that have been pointed out by the Goodell-Quie Subcommittee or Task Force but I think it is well to give you one or two examples.

On April 28th the poverty memo said, "Do you want a 57 per cent pay increase?" The answer is, "Join the staff of the job corps." The 208 staff personnel at Camp Gary, San Marcus, Texas drawing salaries over \$9,000 got an average of 57 per cent pay increase when they left their previous employment and went with the Job Corps. I think this is evidence of poor administration, the poor spending of the money and it is obvious when salaries are in this category the poor are not getting the help. But then let me give you an example that I think certainly smells of political favoritism. There is a high ranking Democratic politician up in the state of West Virginia. He owned a hotel which, as I understand it, was either closed or badly run down. It was valued at approximately \$250,000. The Job Corps signed a contract with this Democratic politician who owned the hotel. The Poverty Program put \$225,000 into it to bring it up to a livable standard and then agreed to pay an annual rent, I think for five years, of \$98,000 over twelve months. Fellow politics? I think the evidence on its face verifies and justifies the statements that have been made by many on the Republican side.

Now one other area I think should be of great concern and interest to you that I mentioned at the beginning, is the area of inflation, the increase in the cost of living that we see is hitting every family in every state through out the United States. In 1965 the cost of living went up two per cent which meant people with one dollar could buy two per cent less or they could only buy 98 per cent at the end of the year with the dollar they had at the beginning of the year. But this increase has accelerated in the three months since January 1. We had a point five per cent increase in the month of March. We had a point seven increase in the cost of living in the month of February. We had an increase in January and if you take the three-month

period so far in 1966 and analyze it by the end of this calendar year the cost of living will have gone up four per cent. That's a six per cent gain in the cost of living. It is a six per cent increase in the cost of what our families have to buy throughout this country. Now the President, by word --by word -- I emphasize, has used the jaw bone technique to tell you housewives you ought to buy less or buy cheaper items. He has told business it should not expand. It should not increase its productive capacity. The President has reprimanded business for some price increases. The President has slapped on the wrist some labor organizations who have sought higher wages, but I have seen no real evidence whatsoever that President Johnson has done one thing to cut down or cut back federal spending in the non-military area.

Let me give you an example. Yesterday on the floor of the House we had an appropriation bill there where a Democratic controlled committee added a half a billion dollars over and above the President's budget. There were three amendments offered yesterday by Republicans to reduce the committee action back to the President's budget. Not one single amendment to make a reduction came from the Democratic side--not one and there was only one speech out of fifty or a hundred that were made yesterday by a Democrat talking about economy. Yes the prime cause of inflation today is the excessive increasing non-military spending of the Johnson-Humphrey Administration and we as Republicans have a responsibility to point this out to the American people. Let me give you one other illustration if I might.

Since January of this year there have been six votes on issues that involve spending more or less. Two appropriation bills. Four authorization bills, including the proposal by the White House for a mansion or whatever you want to call it for the Vice President at a cost of \$750,000. It was mentioned by someone that this could be categorized as a tepee for the V.P. But on these six votes I am glad to report to you that the Republicans in the House voted 93 per cent as savers and the Democrats voted 32 per cent as spenders so as we get close to the election of 1966 we, as Republicans, and every one of our fifty states can point to the Democratic administration in the White House, in the Congress, and say that it has been the responsibility of the Democrats as spenders who are responsible for one and probably two war time tax increases in 1966. And we as Republicans can point out that in this period when efforts have been made to cut back spending to hold the line that we as Republicans are savers and that we did all we could to prevent

one wartime tax increase and probably a second and that we as Republicans from all of the states that we represent have been the ones who have carried the ball to try and bring under control the ravages of inflation that are hitting each and every family in every state and as we go down the line I can tell you on behalf of the members of the House and the Senate, the Republican Party will continue to be the party of savers and the Democrats will continue to be the party of spenders.

Ladies and gentlemen it has been a great privilege and pleasure to be here. I end as I began --the compelling need for all of us, all Americans, is to continue to build a good society at peace with the world and itself. We must find an end to the conflict in Viet Nam. We must build up our strength to prevent Communistic terror and aggression elsewhere. We must build a prosperity based on a peace-time economy. This is our aim and our objective.

I am confident that we as Republicans can look forward to success in 1966. We are going to build a Republican Party from the grass roots to the top and we are going to be successful from the court house to the Congress this year.
