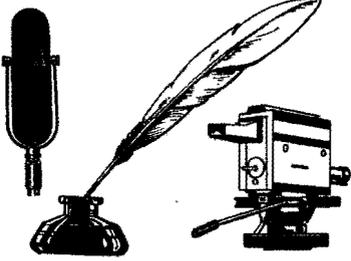


The original documents are located in Box D20, folder “Vietnam Black Market, May 20, 1966” of the Ford Congressional Papers: Press Secretary and Speech File at the Gerald R. Ford Presidential Library.

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CONGRESSMAN
GERALD R. FORD
HOUSE REPUBLICAN LEADER

**NEWS
RELEASE**

FOR RELEASE AT 6:30 P.M.
FRIDAY, MAY 20, 1966

SPEECH EXCERPTS--BY REP. GERALD R. FORD, R-MICHIGAN

Black market activities in Vietnam have mushroomed into such a smelly mess that the State Department has decided to admit they exist.

The State Department concedes that the war effort in Vietnam is beset by black marketeering, corruption, speculation and the falling of U.S. economic aid goods into the hands of the Vietcong.

Officials made these concessions when a newsman charged that the Vietcong was getting more of its supplies from the black market and other South Vietnam sources than through the famous Ho Chi Minh Trail.

The State Department claims that the Vietcong have captured these supplies--radio receivers, drugs, food stocks, seeds, and other items--in taking over or making raids on villages initially under Government control. They add that trucks hauling AID commodities in rural areas have been seized by the Vietcong.

In contrast with this explanation, we find Saigon correspondent J. W. Cohn of Fairchild News Service reporting that "the United States is indirectly financing and supplying the enemy" in Vietnam.

It is American AID dollars, Cohn declares flatly, which make it possible for the black market in Saigon to flourish.

He also points to other black market sources: American GI's selling Post Exchange goods to black marketeers; American trucks "delivering" military supplies into "the wrong hands;" American stevedoring operations which "virtually encourage pilferage;" and "the fact that two-thirds of Vietnam's commercial import dollars come from United States AID funds."

I think this is a disgraceful situation, and the State Department explanation does not really explain it.

The State Department admits the black marketeering, so it seems obvious the Vietcong raids are not the whole answer to the problem of U.S. goods finding their way into enemy hands.

(MORE)

SPEECH EXCERPTS

We had plenty of black marketeering during during World War II, as all Americans know. But there is a painful difference between that black market activity and the shady trading now going on in Vietnam.

The black marketeering carried on by GI's during World War II merely put dollars in their pockets, but the black market activities in Vietnam are helping the enemy fight us. That is nothing short of tragic.

The State Department, in effect, dismisses the black marketeering in Vietnam as being of no great consequence.

The Defense Department is charging that the 325 American newsmen in Vietnam are the real villains in the black market scandal there.

Meantime Assistant Secretary of Defense Thomas D. Morris is checking on black marketeering in Post Exchange goods, and a House subcommittee has just completed a Vietnam black market investigation.

Whatever these investigations reveal, it is imperative that the Defense Department and the Agency for International Development act to halt black market aid to the enemy in a war that seems to have no end.

* * *

As if the taxpayer were not already sufficiently afflicted, President Johnson has come to Congress with a debt refinancing scheme that will cost Americans added millions of dollars each year.

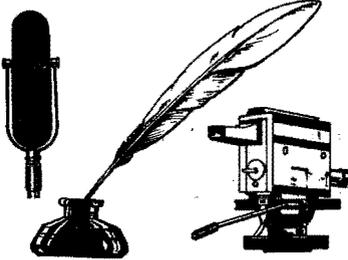
His idea is to pour billions of dollars in government-owned mortgages and other financial assets into a pot at the Federal National Mortgage Association (Fannie Mae) and sell shares to private banking interests.

The miraculous result would be to obtain fresh private funds for government agencies to spend without having this spending show up in the budget.

But the sand in this well-oiled financial machinery is that it costs more to borrow money this way than through sale of government bonds. Net result is that the taxpayer gets hurt.

Even the Americans for Democratic Action are against this Great Society scheme. They say it will result in tighter money because of higher interest rates, thus harming farmers and small businessmen. This is one time when the ADA and I agree.

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