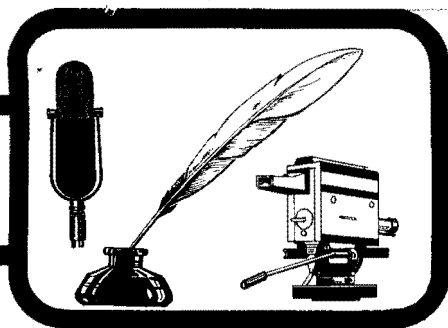


**The original documents are located in Box D22, folder “American Coke and Chemical Institute, White Sulphur Springs, WV, October 23, 1967” of the Ford Congressional Papers: Press Secretary and Speech File at the Gerald R. Ford Presidential Library.**

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CONGRESSMAN  
**GERALD R. FORD**  
HOUSE REPUBLICAN LEADER

**NEWS  
RELEASE**

--FOR RELEASE AT 6:30 P.M. MONDAY--  
October 23, 1967

Excerpts from an Address by Rep. Gerald R. Ford, House Republican Leader, at the annual meeting of the American Coke and Coal Chemical Institute, Monday evening, Oct. 23, 1967, at The Greenbrier, White Sulphur Springs, W. Va.

You have enjoyed a trip into the past here with your "Roaring Twenties" party, and the theme of your annual meeting is a look into the future. Let me join you on both excursions.

The popular view of the Twenties is that it was a gay time. Certainly those were prosperous years until economic over-exuberance and lack of restraint plunged this country into the greatest depression in our history.

I want to make this point at the outset. It just isn't true that prosperity in America depends on deficit spending by the federal government. We had prosperity in the Twenties without federal deficits. We had surpluses in the Treasury then. And we had a continued slump in the Thirties despite big deficit spending.

In the years 1960 through 1967 we have experienced eight consecutive federal deficits, and in 1966 we suffered through bouts with inflation, tight money and the highest interest rates in 40 years.

Now we are climbing out of a near-recession but we are faced with Administration forecasts of a \$28 billion deficit for fiscal 1968, a new upsurge of inflationary pressures, and another round of sky-high interest rates.

The President and his advisers demand that Congress approve a 10 per cent income tax surcharge on individuals and corporations on the ground the tax increase is badly needed to dampen the economy.

I submit that a far wiser course is to review all federal spending planned for this and future years, to throttle down those plans and to begin pruning the federal bureaucracy of offices and programs which have outlived their usefulness or have not produced expected results.

The action by the U.S. House of Representatives last Wednesday aimed at cutting back Administration spending plans for this fiscal year by \$7 billion or more was a necessary first step. Whether or not the U.S. Senate joins the House in that economy effort, we must look beyond it.

Your industry is looking to the future. Let me look down the road with you--  
at the state of the economy, the possible impact of the proposed income tax on

(more)

the economy, and a look into the distance at federal spending.

How "buoyant" is the economy that the President's economic advisers say is just crying out for a tax increase? The growth rate in real terms fell to 2.3 per cent per year from mid-1966 to mid-1967 after reaching a high of 6.1 per cent in 1965. While it's true that real growth increased by 1 per cent for the quarter during the last three months, I believe an income tax increase might well abort this movement toward recovery.

Inflation? We are encountering a new upward push on prices which demands action by the federal government. But we should remember that a dollar cutback in spending has nearly twice as much anti-inflationary impact as a dollar increase in taxes.

Our first goal, then, should be to scale down the Administration's spending plans for this fiscal year. Then we can take a look at the proposed tax increase--if the Administration still is asking for it--and examine it in the light of what is happening to the economy.

I say we should pull back on federal spending plans first because if we do not we will face the threat of additional income tax increases beyond the proposed 10 per cent surtax.

The reason is that in the Soaring Sixties federal spending has run wild--and in just eight years. While the population grew 10 per cent, the civilian bureaucracy of the government grew 25 per cent, federal civilian payrolls grew 75 per cent, government spending went up 80 per cent.

Is this because of the Vietnam War? While defense spending rose by 68 per cent, nondefense spending went up 97 per cent and welfare and health spending jumped an incredible 210 per cent. There now are 42 million people in this country who receive a regular monthly check from the federal government.

We can expect that by the time this decade ends the federal budget will have doubled to \$160 billion and the deficits for the Soaring Sixties will have towered to nearly \$100 billion. In consequence, the National Debt--on which we now must pay annual interest charges of \$14.2 billion--will have climbed to about \$400 billion.

This sharp upward trend in federal spending and federal debt will change only if there is a drastic change in national attitudes. I believe there is a definite shift in that attitude now--a taxpayer revolt.

I pray that the taxpayer revolt continues as we seek better and less costly solutions to the Nation's problems. We must bring realism into the lives of Americans misled by slick political slogans and gulled into believing in extravagant political promises.

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