## The original documents are located in Box 21, "12/17/75 - Remarks on Vetoing the Temporary Tax Cut Extension Bill" of the President's Speeches and Statements: Reading Copies at the Gerald R. Ford Presidential Library.

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THY PRESIDENT LAS SEE. .....

## I AM VETOING THE TEMPORARY TAX CUT

EXTENSION BILL SENT ME BY THE CONGRESS TODAY.

I HAVE BEEN TELLING THE CONGRESS EVER SINCE Computer OCTOBER THAT I WOULD VETO ANY TAX CUT IF THE FAILED TO CUT FUTURE FEDERAL SPENDING AT THE SAME TIME. CONGRESS HAS REFUSED AT THIS TIME TO PUT ANY LIMIT ON SPENDING FOR THE NEXT FISCAL YEAR AND INSTEAD SENT ME A TEMPORARY 6-MONTH EXTENSION OF THE PRESENT TEMPORARY 1975 TAX LEVELS DUE TO EXPIRE ON NEW YEAR'S EVE. THERE IS NO NEED FOR YOUR WITHHOLDING TAXES TO GO UP IN 1976. THERE IS NO NEED FOR A PROLONGED CONFRONTATION WITH THE CONGRESS ON THIS QUESTION. I BELIEVE AND THE CONGRESS EVIDENTLY BELIEVES THAT OUR NATION WILL BENEFIT BY GIVING AMERICAN TAXPAYERS A BREAK IN 1976.

Congress of ML

THE DIFFERENCES BETWEEN **UPS** ARE THESE:

AS I PROPOSED LAST OCTO BER 6, I WANT

A LARGER TAX CUT IN 1976 THAN WE HAVE HAD IN

1975 -- \$28 BILLION DOLLARS TO BE EXACT --

would WHILE THE BILL BEFORE ME MERELY EXTENDS

THIS YEARS TAX RATE WHICH WORKS OUT TO ABOUT

\$18 BILLION A YEAR.

I WANT ANY CUT IN FEDERAL TAX REVENUES COUPLED WITH A CUT IN THE RUNAWAY GROWTH OF FEDERAL SPENDING, UNLESS WE START DOING THIS NOW WE WILL RUN UP LARGER AND LARGER DEFICITS AND GET FARTHER AND FARTHER AWAY FROM A BALANCED BUDGET.

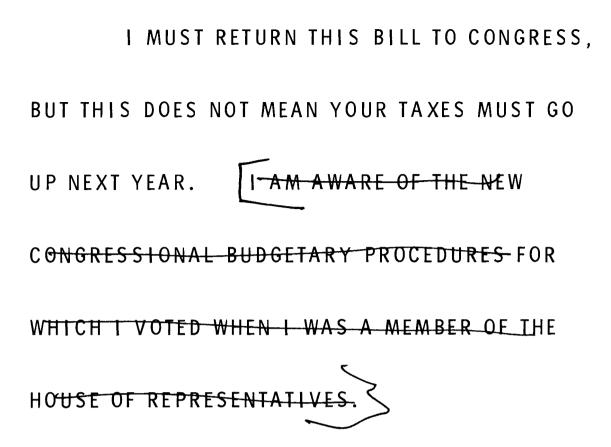
AS I MADE CLEAR OVER TWO MONTHS AGO,

WE WILL RISK A NEW ROUND OF DOUBLE DIGIT INFLATION WHICH WOULD INVISIBLY TAX EVERY DOLLAR YOU HAVE OR EARN IN THE FUTURE BY A MUCH HIGHER FIGURE THAN ANY TEMPORARY RELIEF THIS BILL OFFERS. THE CONGRESS OFFERS ONLY TO KEEP A TEMPORARY LID ON TAXES WHILE LEAVING THE FEDERAL CASH REGISTER WIDE OPEN FOR WHATEVER SPENDING MONEY CONGRESS WANTS TO TAKE OUT IN AN ELECTION YEAR. THAT I

CAN'T ACCEPT.

I SAID I WOULD SUBMIT A \$395 BILLION BUDGET FOR FISCAL 1977 NEXT JANUARY AND I INTEND TO DO SO. THIS REPRESENTS A \$28 BILLION REDUCTION IN THE GROWTH OF FEDERAL SPENDING AND -- IF CONGRESS WILL GO ALON G with\_me\_only on this overall ceiling -- NOT ON EVERY DETAIL AS TO WHERE THE CUTS SHOULD COME -- WE COULD HAVE A \$28 BILLION TAX CUT NEXT YEAR WITHOUT ADDING TO INFLATION. INSTEAD OF THEIR \$18 BILLION CUT THAT CONTAINS NO SPENDING CUT COMMITMENT

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- I KNOW THAT MANY SENATORS AND CONGRESSMEN

ARE TRYING IN GOOD FAITH TO MAKE THEM WORK IN -ORDER TO GATN CONTROL OF THE CURRENILY UNCONTROLLABLE GROWTH OF FEDERAL SPENDING. THE CONGRESS STILL HAS TIME BEFORE CHRISTMAS TO SEND ME BACK A TAX CUT EXTENSION FOR 1976 COUPLED WITH A CLEAR COMMITMENT TO CUT THE GROWTH OF SPENDING. SUCH A SIGNAL TO THE COUNTRY AND TO THE WORLD THAT THE FEDERAL GOVERNMENT IN WASHINGTON IS AT LAST FACING UP TO ITS RESPONSIBILITY TO CONTROL RUNAWAY INFLATIONARY SPENDING WOULD BE THE BEST CHRISTMAS PRESENT OVERBURDENED AMERICAN TAXPAYERS HAVE HAD IN DECADES, I AM WILLING AND WAITING TO SIGN SUCH LEGISLATION. THERE IS ONLY ONE REAL ISSUE HERE, AND

IT REQUIRES SOME PLAIN SPEAKING. THE

AMERICAN PEOPLE WANT TAX RELIEF, NEED TAX

RELIEF AND DESERVE TAX RELIEF. But they also want uncontrolled federal epending to stop.

THEIR GOVERNMENT -- THE OFFICIALS THEY ENTRUST WITH THE POWER TO TAX AND TO SPEND TAXES --FOR YEARS AND YEARS HAS NOT BEEN PLAYING FAIR WITH THEM. THEIR GOVERNMENT HAS BEEN RAISING FEDERAL BENEFITS, KNOWING FULL WELL THOSE BENEFITS HAVE TO BE PAID FOR BY FUTURE TAXPAYERS OR BY THE MERCILESS TAX OF CONSTANT INFLATION. KNOW IT AND I KNOW IT. UPON SERIOUS SECOND THOUGHT, I AM SURE THE MAJORITY OF THIS CONGRESS WILL RECOGNIZE IT. THE ONLY HONEST WAY TO REDUCE TAXES IS TO REDUCE THE SPENDING OF TAX MONEY.

## END OF TEXT

THE AMERICAN PEOPLE KNOW THIS. YOU