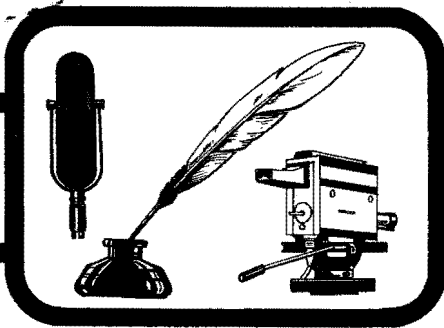


The original documents are located in Box D20, folder “27th District Dinner for Representative Ed Reinecke, Burbank, CA, April 17, 1966” of the Ford Congressional Papers: Press Secretary and Speech File at the Gerald R. Ford Presidential Library.

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CONGRESSMAN
GERALD R. FORD
 HOUSE REPUBLICAN LEADER

**NEWS
 RELEASE**

FOR RELEASE SUNDAY A. M., APRIL 17, 1966

EXCERPTS OF SPEECH AT 27TH DISTRICT DINNER FOR REP. ED REINECKE ON SATURDAY AT BURBANK, CALIFORNIA.

Most people forget by April what the President and his Council of Economic Advisers said in January, so let me refresh your memory.

Last January Lyndon Johnson's Council of Economic Advisers predicted price stability and good progress on such problems as the balance of payments. Were they wrong? They were dead wrong.

But Mr. Johnson was only too eager to buy their bad advice. He told the nation in his economic message that we could make full use of our productive capacity "without overuse or strain." He also promised to push Great Society programs faster while meeting all the demands of the Vietnam war.

He said he could do all of these things without causing industrial bottlenecks or creating a price spiral. Was he wrong? He was dead wrong.

While Mr. Johnson publicly ignored all inflationary danger signals, his Treasury Department lieutenants scurried about Capitol Hill using the threat of inflation to sell Congressmen on the \$6 billion tax bill enacted this year.

That's the bill that increases automobile and telephone service taxes and takes your income tax money away faster so Lyndon can spend it quicker. The faster tax take begins May 1--two weeks after the '65 tax deadline.

Only now is Mr. Johnson talking about cutting spending--as an afterthought. I don't believe he's really going to do it. It's not his way, and it's not the way of the big-spending Democrats in Congress. It's not the way of a president who wants to spend \$3.2 billion more on Great Society programs in fiscal 1967 while we're fighting a war that's costing \$1 billion a month. It's not the way of a man who talked of an income tax increase before even mentioning any reductions in spending.

* * *

There's been a change in political atmosphere in this country. Republicans are on the way up. The Democrats have slipped.

I predict the GOP will make a gain of 40 to 50 House seats in the fall elections. Some news commentators and some fearful Democratic congressmen put the gain at as much as 80.

(MORE)

EXCERPTS OF BURBANK SPEECH BY HOUSE MINORITY LEADER GERALD R. FORD.

Why is this happening? The Democrats are divided on Vietnam policy. This is something the American people won't tolerate--a division on foreign policy within the party in power.

As the Vietnam war now shapes up, there are two alternatives if we are to force a stalemate and bring about a permanent peace settlement.

We must make more effective use of our air and sea power or we will find the Johnson-Humphrey Administration increasing our troop strength in Vietnam, maybe doubling it.

Republicans don't want to see the United States drawn into a huge land war in Southeast Asia. But that is what threatens us. I believe we should not send any more of our boys to Vietnam without at least seeing whether the Republican alternative will work.

Under current strategy, the Vietnam war looks like a war without end.

Republicans offer their alternative--use of more air and sea power instead of more men--in the hope of ending the Vietnam war and achieving an honorable and lasting peace.

I also urge the Johnson-Humphrey Administration to move more quickly and effectively on the socio-economic front in Vietnam because the Viet Cong will never be destroyed until the Vietnamese peasant wants it destroyed.

We must win the minds and hearts of the Vietnamese peasants if we are to gain a meaningful peace in their unfortunate land.

The program of pacification set up by Mr. Johnson last February at Honolulu was splendid on paper, but it doesn't seem to be working. You can't very well pacify a village if American technicians work in it by day and then retreat to a military compound at night while the Viet Cong take over.

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If Mr. Johnson is serious about fighting inflation, he should send Congress a revised 1967 budget with several billions lopped off it, as the National Republican Coordinating Committee has proposed.

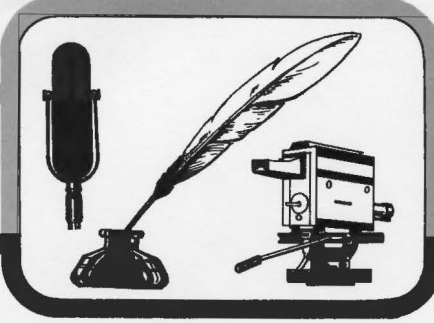
A sizable federal spending cut makes more sense than an income tax increase in combatting inflation.

An income tax increase would put even more money at the disposal of the Johnson-Humphrey Administration, which then would spend more billions in 1966-67 on its Great Society programs.

A substantial spending cut would dampen the inflation that has been feeding upon itself as Democratic administrations have spent more and more of the taxpayer's money.

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