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SPEECH AT "TRUNK 'N TUSK" REPUBLICAN DINNER, MARCH 18, 1967

CAMELBACK INN, PHOENIX, ARIZONA

IT'S GREAT TO BE HERE IN ARIZONA--WONDERFUL TO BE ABLE TO BREATHE AGAIN. RIGHT NOW, I'M GOING TO GIVE YOU PEOPLE FAIR WARNING. YOU MAY SOON HAVE A REFUGEE PROBLEM. YOU MAY BE FLOODED WITH PEOPLE FLEEING FROM THE NATION'S CAPITAL. WE WHO INHABIT THAT MECCA FOR THE MAN WITH THE BUREAUCRATIC MIND RECENTLY LEARNED THAT WASHINGTON, D.C., IS THE FOURTH DIRTIEST METROPOLITAN AREA IN THE COUNTRY.

YOU MAY HAVE WONDERED WHY IT'S SOMETIMES SO HARD TO UNDERSTAND WHAT'S GOING ON IN WASHINGTON. WELL, IT'S THE AIR. IT'S SO DIRTY IN WASHINGTON THERE ARE TIMES WHEN WE CAN'T SEE WHERE WE'RE GOING. THIS IS THE AIR WE BREATHE, TOO. SO, OF COURSE, SOMETIMES WE DON'T THINK SO CLEARLY.



THERE'S AN AREA IN WASHINGTON CALLED FOGGY BOTTOM. APPROPRIATELY, THIS IS WHERE THE STATE DEPARTMENT IS LOCATED.

THE TRUTH IS THAT EVER SINCE LYNDON JOHNSON ENTERED THE WHITE HOUSE, THE ENTIRE CITY OF WASHINGTON HAS BEEN ENVELOPED IN FOG--FISCAL FOG AND THE FOG THAT IS GENERATED WHEN PEOPLE TELL LESS THAN THE TRUTH.

THIS JOHNSON FOG HAS SEEPED FROM WASHINGTON INTO ALL PARTS OF THE COUNTRY. IT IS OTHERWISE KNOWN AS THE CREDIBILITY GAP. LYNDON JOHNSON IS RECOGNIZED AS THE SYMBOL OF IT, AND THE PRESIDENTIAL POPULARITY POLLS REFLECT THIS.

OF COURSE, LYNDON IS GENEROUS. HE SHARES THE HONORS WITH OTHER MEMBERS OF HIS ADMINISTRATION, INCLUDING THAT




MOST VOLUBLE GENTLEMAN, VICE PRESIDENT HUBERT HUMPHREY.

RECENTLY THE COUNTRY WAS SHAKEN BY THE REVELATION THAT THE CENTRAL INTELLIGENCE AGENCY HAD BEEN COVERTLY FINANCING OVERSEAS ACTIVITIES OF STUDENT AND LABOR GROUPS. HUBERT HORATIO HUMPHREY, NEVER FAR FROM HIS GUARD POST NEAR CREDIBILITY GAP, IMMEDIATELY TOLD AN AUDIENCE IN PALO ALTO, CALIF., THAT THIS REPRESENTED "ONE OF THE SADDEST TIMES, IN REFERENCE TO PUBLIC POLICY, OUR GOVERNMENT HAS HAD." HE SAID HE WAS "NOT AT ALL HAPPY ABOUT WHAT THE CIA HAS BEEN DOING." THAT WAS ON FEBRUARY 21.

TWO DAYS LATER THE PRESIDENT UPHELD THE CIA'S CONDUCT.

ON FEBRUARY 27, HAPPY HUBERT UNHAPPILY TOLD THE AFL-CIO IN CONVENTION AT MIAMI THE CIA HAD "DONE NOTHING BUT FOLLOW THE POLICIES OF HIGHER AUTHORITY." HE VIGOROUSLY DEFENDED



THE CIA, WHERE ONLY SIX DAYS EARLIER HE HAD CONDEMNED ITS TIES TO STUDENT AND LABOR ORGANIZATIONS.

IT IS EXACTLY THIS KIND OF CONTRADICTION, BACKPEDALLING, FAILURE TO LIVE UP TO STATEMENTS THAT HAS CREATED THE CREDIBILITY GAP. IT HAS COST THE JOHNSON ADMINISTRATION THE CONFIDENCE OF THE AMERICAN PEOPLE. OUR PEOPLE ARE UNEASY ABOUT THEIR LEADERS IN WASHINGTON.

THIS CRISIS OF CONFIDENCE ERODES THE STRENGTH OF THE NATION. IT WEAKENS OUR MORAL FIBER JUST AS SURELY AS DOES THE SOARING CRIME RATE WHICH HAS JUMPED MOST ALARMINGLY EVEN AS THE GREAT SOCIETY WAS SUPPOSED TO ENHANCE THE QUALITY OF LIFE FOR ALL AMERICANS.

THE CREDIBILITY GAP IS WIDENING.



ON JANUARY 30 THE JOHNSON-HUMPHREY ADMINISTRATION ADMITTED IT HAS BEEN CONCEALING ROUGHLY HALF OF OUR AIRCRAFT LOSSES IN VIETNAM. OFFICIALS SAID THEY DID THIS BY REPORTING ONLY THE LOSSES THROUGH COMBAT AND KEEPING QUIET ABOUT DESTRUCTION OF U.S. PLANES DUE TO OTHER CAUSES.

THERE IS A LONG LIST OF CREDIBILITY GAP INCIDENTS, RANGING FROM OFFICIAL STATEMENTS SUBSEQUENTLY PROVED FALSE TO FIGURE JUGGLING IN THE FEDERAL BUDGET, AND FROM EMPTY PROMISES IN THE ANTI-POVERTY WAR TO MISLEADING MOVES IN THE VIETNAM WAR.

IT IS IRONIC THAT SECRETARY OF LABOR WILLARD WIRTZ RECENTLY ACCUSED THE PRESS OF DISTORTED REPORTING WHEN IT WAS HE WHO DISTORTED GOVERNMENT EMPLOYMENT FIGURES TO MAKE THE JOHNSON ADMINISTRATION LOOK GOOD DURING THE 1964



PRESIDENTIAL CAMPAIGN.

THE CRISIS OF CONFIDENCE EXTENDS TO THE CONGRESS, WHERE THE ADAM CLAYTON POWELL CASE HAS AT LEAST TEMPORARILY ECLIPSED THE NEED TO REVISE AND REVAMP THE GREAT SOCIETY PROGRAMS ALREADY ENACTED INTO LAW. I FEAR THAT CRISIS OF CONFIDENCE MAY NEVER BE RESOLVED UNLESS DEMOCRATS JOIN WITH REPUBLICANS IN CREATING A SELECT COMMITTEE ON ETHICS AND CONDUCT TO POLICE THE HOUSE OF REPRESENTATIVES. I HOPE THEY DON'T TRY TO SWEEP THE WHOLE MATTER OF CONGRESSIONAL ETHICS UNDER THE RUG.

THE FISCAL FOG IN WASHINGTON IS GROWING THICKER BY THE MINUTE. PRESIDENT JOHNSON POSES AS AN ECONOMICAL CHIEF EXECUTIVE. THIS IS THE GREATEST MYTH THAT WAS EVER FLOATED BEFORE THE AMERICAN PEOPLE.



WHEN THE FIGURES ARE ADJUSTED TO TELL THE TRUTH, WE FIND THAT THE JOHNSON-HUMPHREY ADMINISTRATION HAS SPENT \$40-1/2 BILLION MORE THAN IT HAS TAKEN IN DURING THE YEARS 1964, '65, '66 AND '67. THAT'S RED INK THAT'S FLOODING THE FEDERAL LEDGERS AT THE RATE OF \$10 BILLION A YEAR, \$800 MILLION A MONTH, OR \$40 MILLION A DAY ON THE BASIS OF A FIVE-DAY WORK WEEK.

THE TRUTH IS WE JUST CAN'T AFFORD THE JOHNSON ADMINISTRATION.

REPUBLICANS AREN'T WEDDED TO A BALANCED BUDGET, CERTAINLY NOT IN WARTIME EMERGENCIES. THERE ARE TIMES WHEN IT'S NOT ONLY IMPOSSIBLE BUT EVEN INADVISABLE. BUT WE SHOULD BE RUNNING A BUDGET SURPLUS IN TIMES OF PROSPERITY--AND THAT'S SOMETHING THE DEMOCRATIC PARTY SEEMS INCAPABLE OF. IF WE





CAN'T BALANCE THE BUDGET WHEN THE COUNTRY IS PROSPEROUS,  
WHEN WILL WE EVER DO IT?

IN THE 112 YEARS SINCE THE PRESENT TWO-PARTY SYSTEM  
CAME INTO EXISTENCE, DEMOCRATS HAVE CONTROLLED BOTH BRANCHES  
OF CONGRESS FOR 42 YEARS; REPUBLICANS, FOR 48 YEARS.  
CONGRESS WAS DIVIDED BETWEEN THE PARTIES IN 22 OF THE 112  
YEARS.

DEMOCRATS PUT THIS COUNTRY IN THE RED IN 35 OF THE YEARS  
THEY HELD POWER, AND BALANCED THE BUDGET ONLY SEVEN TIMES.

BY CONTRAST, REPUBLICANS PRODUCED SURPLUSES IN 31 YEARS  
AND INCURRED DEFICITS IN ONLY 17.

THAT'S THE RECORD OF THE RESPONSIBLE REPUBLICAN PARTY.  
I'LL LET YOU CATEGORIZE THE OTHER PARTY FOR YOURSELVES.



THE JOHNSON-HUMPHREY ADMINISTRATION SIMPLY IGNORES ITS DEFICITS AND KEEPS PLUNGING BLINDLY AHEAD WITH AN UNPARALLELED SURGE OF FEDERAL SPENDING. ALL THIS TIME THE BUSINESS OF PHONEY ECONOMY AND PHONEY BUDGETING CROWDS IN ON US.

IS ALL OF THIS EXCESSIVE SPENDING DUE TO THE VIETNAM WAR? NOT AT ALL. FROM 1965 TO 1968 FEDERAL SPENDING ROSE BY \$17 BILLION A YEAR. IF WE SUBTRACT EVERY PENNY OF VIETNAM SPENDING BETWEEN FISCAL 1965 AND 1968, WE STILL FIND AN INCREASE OF \$29 BILLION IN OVERALL FEDERAL EXPENDITURES-- OR AN ANNUAL INCREASE OF NEARLY \$10 BILLION.

FEDERAL SPENDING UNDER THE JOHNSON ADMINISTRATION CLEARLY IS GETTING OUT OF HAND. THE YEAR OF DEMOCRAT DUPLICITY IS TAKING ITS TOLL.



I REFER TO 1966 WHEN THE JOHNSON ADMINISTRATION PLOWED

AHEAD FULL TILT WITH GREAT SOCIETY SPENDING PROGRAMS AND UNDERESTIMATED VIETNAM WAR SPENDING BY \$10 BILLION TO COVER UP THE TRUE RATE OF FEDERAL SPENDING. AT THE SAME TIME, PRICES SOARED BECAUSE FEDERAL SPENDING OVER-STIMULATED THE ECONOMY.

WE'RE HURTING. THE UNITED STATES IS HURTING NOW. THE CHICKENS HAVE COME HOME TO ROOST.

PRESIDENT JOHNSON WANTS TO LOAD AN INCOME TAX INCREASE ON AMERICANS HIT LAST YEAR BY THE SHARPEST RISE IN THE COST OF LIVING SINCE THE KOREAN WAR. BUT HE HAS SO MIS-MANAGED THE ECONOMY THAT IT'S DOUBTFUL THE ECONOMY CAN TAKE IT. TODAY MOST ECONOMISTS ARE OPPOSED TO JOHNSON'S TAX INCREASE BECAUSE IT MIGHT WELL TRIGGER A RECESSION.



THE SAGGING STATE OF THE ECONOMY MEANS THAT THE FISCAL

1968 DEFICIT PROBABLY WILL RUN MORE THAN \$15 BILLION, A RECORD EXCEPT FOR THE YEARS DURING WORLD WAR II.

THIS SITUATION IS A DIRECT RESULT OF THE FACT THAT MR. JOHNSON LAST YEAR IGNORED REPUBLICAN DEMANDS THAT HE CUT DOMESTIC SPENDING AND SPURNED THE ADVICE OF EMINENT ECONOMISTS WHO SAID THAT WAS THE TIME TO RAISE INCOME TAXES AND COOL OFF AN OVERHEATED ECONOMY.

LYNDON JOHNSON IS A MASTER POLITICIAN, BUT HIS POLITICS GETS IN THE WAY OF THE GOOD OF THE NATION.

THE PEOPLE HAVE SUFFERED--THE WORKER, THE FARMER.

WORKERS HAVE FOUND INFLATION BITING INTO THEIR REAL SPENDABLE EARNINGS DESPITE SIZABLE WAGE INCREASES.

FARMERS HAVE BEEN CAUGHT IN A COST-PRICE SQUEEZE THAT



HAS LEFT THEM LOW MEN ON THE TOTEM POLE IN AN ERA OF SEEMING PROSPERITY.

THERE IS TALK OF REVOLT IN THE FARM STATES--AND THIS IS NOT SURPRISING. OVERALL, FARM PRICES HAVE DROPPED 7.4 PER CENT FROM THE 1966 PEAK REACHED LAST AUGUST. THE PRICE OF ORANGES HAS PLUMMETED FROM \$2.76 A BOX TO 76 CENTS; CATTLE, FROM \$24 A HUNDREDWEIGHT TO \$21.60, AND SO ON DOWN THE LINE.

FARMERS ARE BITTER BECAUSE THEIR PRICES ARE SAGGING, THEIR COSTS ARE CLIMBING AND A TIDE OF FARM PRODUCTS IS FLOODING IN FROM ABROAD.

IT WAS JUST ABOUT A YEAR AGO--IN MARCH, 1966--THAT SECRETARY OF AGRICULTURE ORVILLE FREEMAN SAID HE WAS "DELIGHTED" TO SEE FARM PRICES DECLINING. HIS CUP NOW



RUNNETH OVER. PARITY--THE RATIO OF THE PRICES FARMERS RECEIVE TO THE PRICES THEY PAY FOR WHAT THEY NEED--NOW STANDS AT 74, THE LOWEST IN TWO YEARS, DOWN 8 POINTS FROM LAST YEAR AT THIS TIME.

THE DEMOCRATIC PARTY IS TIRED, DISPIRITED, DISORGANIZED, WANDERING AIMLESSLY IN SEARCH OF SOLUTIONS TO MANY OF THE NATION'S PROBLEMS.

THE DEMOCRATIC PARTY IS DIVIDED, DEEPLY SPLIT OVER THE ISSUE THAT HAS PLUNGED THIS COUNTRY INTO PAINFUL SOUL-SEARCHING--THE VIETNAM WAR. INSTEAD OF UNITED LEADERSHIP, THE AMERICAN PEOPLE FIND THEIR PRESIDENT AND ANOTHER LEADER OF THE DEMOCRATIC PARTY ENGAGED IN A BITTER FEUD OVER VIETNAM POLICY AND INVOLVED IN A SHOCKING POWER STRUGGLE.

THERE IS NO QUESTION THAT AN INTENSE STRUGGLE FOR POWER

NOW IS UNDER WAY IN THE DEMOCRATIC PARTY. THIS IS A BATTLE THAT BODES ILL FOR THE NATION BECAUSE IT ENCOURAGES THE ENEMY TO KEEP ON FIGHTING AND THUS PROLONGS THE WAR. THE AMERICAN PEOPLE ARE THE LOSERS.

MR. JOHNSON HIMSELF HAS RECOGNIZED THE TRAGIC SITUATION PRODUCED BY OTHER LEADERS IN HIS OWN PARTY, DEMOCRATIC CRITICS OF HIS VIETNAM POLICY.

IN COMMENTS MARCH 9 TO THE DEMOCRATIC NATIONAL COMMITTEE, THE PRESIDENT SAID: "YOU CAN'T HAVE 25 SECRETARIES OF STATE AND A HALF-DOZEN SECRETARIES OF DEFENSE AND ALL OF THEM DREAMING DREAMS."

THE DEMOCRATS NOW ARE PLANNING LOVE FEAST FUND-RAISING DINNERS AT WHICH THE PRESIDENT AND BOBBY ARE SUPPOSED TO KISS AND MAKE UP. BUT I'M SURE NOBODY IS NAIVE ENOUGH TO



BELIEVE THAT THESE DINNER MEETINGS WILL ACTUALLY HEAL THE BREACH BETWEEN THESE DEMOCRATIC LEADERS.

— THE REPUBLICAN PARTY STANDS IN SHARP CONTRAST TO THE DEMOCRATS--A CONTRAST WHICH I AM SURE IS MOST WELCOME TO THE AMERICAN PEOPLE. WE ARE UNITED <sup>in resisting Communist aggression in</sup> ~~ON~~ VIETNAM, ALERT TO NEW IDEAS FOR SOLVING THE PROBLEMS PLAGUING AMERICA.

THE DEMOCRATS ARE STILL DRAWING ON THE THEORIES OF THE NEW DEALERS, THE IDEAS BORN OF DEPRESSION.

REPUBLICANS ARE SURGING FORWARD WITH IMAGINATIVE NEW PROPOSALS. WE ARE FASHIONING A BOLD PROGRAM TO LAY BEFORE THE AMERICAN PEOPLE IN THE NEXT ELECTION--A PROGRAM ON WHICH A REPUBLICAN WILL RUN FOR THE WHITE HOUSE AND WILL BE ELECTED.

HERE ARE THE ISSUES AS WE ARE DEVELOPING THEM:





WHERE THE DEMOCRATIC PARTY PILES ONE FEDERAL GRANT-IN-AID PROGRAM ON ANOTHER IN A PYRAMID THAT IS COLLAPSING OF ITS OWN WEIGHT, REPUBLICANS OFFER FEDERAL TAX-SHARING TO REBATE A FIXED PERCENTAGE OF FEDERAL INCOME TAX REVENUE TO THE STATES AND CITIES, HELP THEM SOLVE THEIR OWN PROBLEMS MORE QUICKLY AND WITH THEIR OWN PRIORITIES, AND THUS REVITALIZE STATE AND LOCAL GOVERNMENT.

WHERE THE DEMOCRATIC PARTY RELIES ON GOVERNMENT-OPERATED MANPOWER TRAINING PROGRAMS, REPUBLICANS WOULD TRIGGER A LARGE-SCALE ON-THE-JOB TRAINING PROGRAM ACROSS THE NATION BY GIVING EMPLOYERS A TAX CREDIT TO PAY PART OF THE TRAINING COSTS AND TO MATCH MEN TO JOBS. THIS IS THE BEST WAY TO ATTACK STRUCTURAL UNEMPLOYMENT AND TO LICK POVERTY.

WHERE THE DEMOCRATIC PARTY CLUBS INDUSTRY OVER THE HEAD

IN A WAR AGAINST AIR AND WATER POLLUTION, REPUBLICANS WOULD COMBINE RESPONSIBLE ENFORCEMENT WITH THE INCENTIVE OF A TAX CREDIT TO WIN WILLING COMPLIANCE AND MOVE MORE SWIFTLY TO CLEAN UP THE COUNTRY'S AIR AND WATER.

WHERE THE DEMOCRATIC PARTY WOULD SPEND MILLIONS AND ULTIMATELY BILLIONS OF DOLLARS ON A DEMONSTRATION CITIES PROGRAM, REPUBLICANS WOULD ENLIST INDUSTRY IN A PARTNERSHIP THAT WOULD PUT BILLIONS IN PRIVATE CAPITAL INTO THE TASK OF CLEARING AND REBUILDING OUR ASPHALT JUNGLES AND SOLVING URBAN ILLS.

WHERE THE DEMOCRATIC PARTY ROBS THE LOW-INCOME AMERICAN OF INCENTIVE AND ~~COSTS AND TAXPAYER~~ <sup>runs up a tax bill of</sup> MILLIONS AND ULTIMATELY BILLIONS OF DOLLARS WITH A RENT SUBSIDY PROGRAM, REPUBLICANS OFFER A PLAN TO PROMOTE HOME OWNERSHIP BY SLUM DWELLERS

AND GIVE THEM A SENSE OF PRIDE.

WHERE THE DEMOCRATIC PARTY RUNS AN ANTI-POVERTY PROGRAM RIDDLED WITH POLITICS AND WASTE AND USES ANTI-POVERTY FUNDS TO TRAIN PICKETS, REPUBLICANS WOULD REVAMP THE PROGRAM, *enlist the help of private enterprise,* CUT OUT THE WASTE, TURN MOST OF ~~IT~~ *the program* OVER TO OLD-LINE FEDERAL AGENCIES THAT KNOW HOW TO HANDLE IT AND REMOVE IT FROM THE INFLUENCE OF BIG CITY POLITICS.

THE REPUBLICAN CANDIDATE IN 1968 WILL HAVE A RECORD TO RUN ON--POSITIVE GOP PROGRAMS THAT WILL GIVE NEW DIRECTION TO OUR NATION.

THE AMERICAN PEOPLE ARE CRYING OUT FOR NEW LEADERSHIP, A LEAN, EFFICIENT FEDERAL GOVERNMENT, ANSWERS FOR THE PAINFUL PROBLEMS THAT PERPLEX THEM AT HOME AND ABROAD, A NEW MORALITY TO SHIELD THEM FROM THE CORROSIVE ATMOSPHERE OF THIS ERA.



THE REPUBLICAN PARTY CAN PROVIDE THE LEADERSHIP THE NATION SO SORELY NEEDS.

~~YOU--ALL OF YOU HERE--CAN BE A PART OF THAT EFFORT,~~  
→ *We offer* ~~to~~ A MOVEMENT THAT WILL LEAD US TOWARD A GOOD SOCIETY WHERE EVERY AMERICAN WILL LIVE IN PEACE AND FREEDOM WITH HIS FELLOW MAN, FULFILL HIS CAPABILITIES AND RECEIVE A PROPER REWARD FOR HIS ENDEAVORS.

A GREAT REPUBLICAN PRESIDENT, ABRAHAM LINCOLN, ESTABLISHED A TOUCHSTONE FOR THE GOOD SOCIETY WHEN HE SAID: "THAT MEN WHO ARE INDUSTRIOUS AND SOBER AND HONEST IN THE PURSUIT OF THEIR OWN INTEREST SHOULD AFTER A WHILE ACCUMULATE PROPERTY AND AFTER THAT SHOULD BE ALLOWED TO ENJOY IT IN PEACE IS RIGHT."



THE REPUBLICAN PARTY <sup>is</sup> OFFERS <sup>ing</sup> ITSELF IN SERVICE TO THE  
AMERICAN PEOPLE--THAT WE MAY BUILD THAT GOOD SOCIETY FOR  
WHICH ALL MEN YEARN. -----THANK YOU-----

--END--



AN ADDRESS BY HOUSE MINORITY LEADER GERALD R. FORD, R-MICH.

AT "TRUNK 'N TUSK" REPUBLICAN DINNER

CAMELBACK INN, PHOENIX, ARIZONA

It's great to be here in Arizona--wonderful to be able to breathe again. Right now, I'm going to give you people fair warning. You may soon have a refugee problem. You may be flooded with people fleeing from the Nation's Capital. We who inhabit that mecca for the man with the bureaucratic mind recently learned that Washington, D. C., is the fourth dirtiest metropolitan area in the country.

You may have wondered why it's sometimes so hard to understand what's going on in Washington. Well, it's the air. It's so dirty in Washington there are times when we can't see where we're going. This is the air we breathe, too. So, of course, sometimes we don't think so clearly.

There's an area in Washington called Foggy Bottom. Appropriately, this is where the State Department is located.

The truth is that ever since Lyndon Johnson entered the White House, the entire city of Washington has been enveloped in fog--fiscal fog and the fog that is generated when people tell less than the truth.

This Johnson fog has seeped from Washington into all parts of the country. It is otherwise known as the Credibility Gap. Lyndon Johnson is recognized as the symbol of it, and the presidential popularity polls reflect this.

Of course, Lyndon is generous. He shares the honors with other members of his Administration, including that most voluble gentleman, Vice President Hubert Humphrey,

Recently the country was shaken by the revelation that the Central Intelligence Agency had been covertly financing overseas activities of student and labor groups. Hubert Horatio Humphrey, never far from his guard post near Credibility Gap, immediately told an audience in Palo Alto, Calif., that this represented "one of the saddest times, in reference to public policy, our government has had." He said he was "not at all happy about what the CIA has been doing." That was on February 21.

Two days later the President upheld the CIA's conduct.

On February 27, Happy Hubert unhappily told the AFL-CIO in convention at Miami the CIA had "done nothing but follow the policies of higher authority," He vigorously defended the CIA, where only six days earlier he had condemned its ties to student and labor organizations,

It is exactly this kind of contradiction, backpedalling, failure to live up to statements that has created the Credibility Gap. It has cost the Johnson Administration the confidence of the American people. Our people are uneasy about their leaders in Washington.

(MORE)



This Crisis of Confidence erodes the strength of the Nation. It weakens our moral fiber just as surely as does the soaring crime rate which has jumped most alarmingly even as the Great Society was supposed to enhance the quality of life for all Americans.

The Credibility Gap is widening.

On January 30 the Johnson-Humphrey Administration admitted it has been concealing roughly half of our aircraft losses in Vietnam. Officials said they did this by reporting only the losses through combat and keeping quiet about destruction of U.S. planes due to other causes.

There is a long list of Credibility Gap incidents, ranging from official statements subsequently proved false to figure juggling in the federal budget, and from empty promises in the anti-poverty war to misleading moves in the Vietnam War.

It is ironic that Secretary of Labor Willard Wirtz recently accused the press of distorted reporting when it was he who distorted government employment figures to make the Johnson Administration look good during the 1964 presidential campaign.

The Crisis of Confidence extends to the Congress, where the Adam Clayton Powell case has at least temporarily eclipsed the need to revise and revamp the Great Society programs already enacted into law. I fear that crisis of confidence may never be resolved unless Democrats join with Republicans in creating a Select Committee on Ethics and Conduct to police the House of Representatives. I hope they don't try to sweep the whole matter of congressional ethics under the rug.

The Fiscal Fog in Washington is growing thicker by the minute. President Johnson poses as an economical chief executive. This is the greatest myth that was ever floated before the American people.

When the figures are adjusted to tell the truth, we find that the Johnson-Humphrey Administration has spent \$40½ billion more than it has taken in during the years 1964, '65, '66 and '67. That's red ink that's flooding the federal ledgers at the rate of \$10 billion a year, \$800 million a month, or \$40 million a day on the basis of a five-day work week.

The truth is we just can't afford the Johnson Administration.

Republicans aren't wedded to a balanced budget, certainly not in wartime emergencies. There are times when it's not only impossible but even inadvisable. But we should be running a budget surplus in times of prosperity--and that's something the Democratic Party seems incapable of. If we can't balance the budget when the country is prosperous, when will we ever do it?

In the 112 years since the present two-party system came into existence, Democrats have controlled both branches of Congress for 42 years; Republicans, for 48 years. Congress was divided between the parties in 22 of the 112 years.

(MORE)

Democrats put this country in the red in 35 of the years they held power, and balanced the budget only seven times.

By contrast, Republicans produced surpluses in 31 years and incurred deficits in only 17.

That's the record of the Responsible Republican Party. I'll let you categorize the other party for yourselves.

The Johnson-Humphrey Administration simply ignores its deficits and keeps plunging blindly ahead with an unparalleled surge of federal spending. All this time the business of phoney economy and phoney budgeting crowds in on us.

Is all of this excessive spending due to the Vietnam War? Not at all. From 1965 to 1968 federal spending rose by \$17 billion a year. If we subtract every penny of Vietnam spending between fiscal 1965 and 1968, we still find an increase of \$29 billion in overall federal expenditures--or an annual increase of nearly \$10 billion.

Federal spending under the Johnson Administration clearly is getting out of hand. The year of Democrat duplicity is taking its toll.

I refer to 1966 when the Johnson Administration plowed ahead full tilt with Great Society spending programs and underestimated Vietnam War spending by \$10 billion to cover up the true rate of federal spending. At the same time, prices soared because federal spending over-stimulated the economy.

We're hurting. The United States is hurting now. The chickens have come home to roost.

President Johnson wants to load an income tax increase on Americans hit last year by the sharpest rise in the cost of living since the Korean War. But he has so mismanaged the economy that it's doubtful the economy can take it. Today most economists are opposed to Johnson's tax increase because it might well trigger a recession.

The sagging state of the economy means that the fiscal 1968 deficit probably will run more than \$15 billion, a record except for the years during World War II.

This situation is a direct result of the fact that Mr. Johnson last year ignored Republican demands that he cut domestic spending and spurned the advice of eminent economists who said that was the time to raise income taxes and cool off an overheated economy.

Lyndon Johnson is a master politician, but his politics gets in the way of the good of the Nation.

The people have suffered--the worker, the farmer.

Workers have found inflation biting into their real spendable earnings despite sizable wage increases.

Farmers have been caught in a cost-price squeeze that has left them low men on the totem pole in an era of seeming prosperity. (MORE)



There is talk of revolt in the farm states--and this is not surprising. Overall, farm prices have dropped 7.4 per cent from the 1966 peak reached last August. The price of oranges has plummeted from \$2.76 a box to 76 cents; cattle, from \$24 a hundredweight to \$21.60, and so on down the line.

Farmers are bitter because their prices are sagging, their costs are climbing and a tide of farm products is flooding in from abroad.

It was just about a year ago--in March, 1966--that Secretary of Agriculture Orville Freeman said he was "delighted" to see farm prices declining. His cup now runneth over. Parity--the ratio of the prices farmers receive to the prices they pay for what they need--now stands at 74, the lowest in two years, down 8 points from last year at this time.

The Democratic Party is tired, dispirited, disorganized, wandering aimlessly in search of solutions to many of the Nation's problems.

The Democratic Party is divided, deeply split over the issue that has plunged this country into painful soul-searching--the Vietnam War. Instead of united leadership, the American people find their President and another leader of the Democratic Party engaged in a bitter feud over Vietnam policy and involved in a shocking power struggle.

There is no question that an intense struggle for power now is under way in the Democratic Party. This is a battle that bodes ill for the Nation because it encourages the enemy to keep on fighting and thus prolongs the war. The American people are the losers.

Mr. Johnson himself has recognized the tragic situation produced by other leaders in his own party, Democratic critics of his Vietnam policy.

In comments March 9 to the Democratic National Committee, the President said: "You can't have 25 secretaries of state and a half-dozen secretaries of defense and all of them dreaming dreams."

The Democrats now are planning love feast fund-raising dinners at which the President and Bobby are supposed to kiss and make up. But I'm sure nobody is naive enough to believe that these dinner meetings will actually heal the breach between these Democratic leaders.

The Republican Party stands in sharp contrast to the Democrats--a contrast which I am sure is most welcome to the American people. We are united on Vietnam, alert to new ideas for solving the problems plaguing America.

The Democrats are still drawing on the theories of the New Dealers, the ideas born of depression.

Republicans are surging forward with imaginative new proposals. We are fashioning a bold program to lay before the American people in the next election--a program on which a Republican will run for the White House and will be elected.

(MORE)

Where the Democratic Party piles one federal grant-in-aid program on another in a pyramid that is collapsing of its own weight, Republicans offer federal tax-sharing to rebate a fixed percentage of federal income tax revenue to the states and cities, help them solve their own problems more quickly and with their own priorities, and thus revitalize state and local government,

Where the Democratic Party relies on government-operated manpower training programs, Republicans would trigger a large-scale on-the-job training program across the Nation by giving employers a tax credit to pay part of the training costs and to match men to jobs. This is the best way to attack structural unemployment and to lick poverty.

Where the Democratic Party clubs industry over the head in a war against air and water pollution, Republicans would combine responsible enforcement with the incentive of a tax credit to win willing compliance and move more swiftly to clean up the country's air and water.

Where the Democratic Party would spend millions and ultimately billions of dollars on a Demonstration Cities program, Republicans would enlist industry in a partnership that would put billions in private capital into the task of clearing and rebuilding our asphalt jungles and solving urban ills.

Where the Democratic Party robs the low-income American of incentive and costs the taxpayer millions and ultimately billions of dollars with a rent subsidy program, Republicans offer a plan to promote home ownership by slum dwellers and give them a sense of pride.

Where the Democratic Party runs an anti-poverty program riddled with politics and waste and uses anti-poverty funds to train pickets, Republicans would revamp the program, cut out the waste, turn most of it over to old-line federal agencies that know how to handle it and remove it from the influence of big city politics.

The Republican candidate in 1968 will have a record to run on--positive GOP programs that will give New Direction to our Nation.

The American people are crying out for new leadership, a lean, efficient federal government, answers for the painful problems that perplex them at home and abroad, a new morality to shield them from the corrosive atmosphere of this era.

The Republican Party can provide the leadership the Nation so sorely needs.

You--all of you here--can be a part of that effort, a movement that will lead us toward a Good Society where every American will live in peace and freedom with his fellow man, fulfill his capabilities and receive a proper reward for his endeavors,

A great Republican President, Abraham Lincoln, established a touchstone for the Good Society when he said: "That men who are industrious and sober and honest in the pursuit of their own interest should after a while accumulate property and after that should be allowed to enjoy it in peace is right."

The Republican Party offers itself in service to the American people--that we may build that Good Society for which all men yearn. Thank you.

AN ADDRESS BY HOUSE MINORITY LEADER GERALD R. FORD, R-MICH.

AT "TRUNK 'N TUSK" REPUBLICAN DINNER

CAMELBACK INN, PHOENIX, ARIZONA

It's great to be here in Arizona--wonderful to be able to breathe again. Right now, I'm going to give you people fair warning. You may soon have a refugee problem. You may be flooded with people fleeing from the Nation's Capital. We who inhabit that mecca for the man with the bureaucratic mind recently learned that Washington, D. C., is the fourth dirtiest metropolitan area in the country.

You may have wondered why it's sometimes so hard to understand what's going on in Washington. Well, it's the air. It's so dirty in Washington there are times when we can't see where we're going. This is the air we breathe, too. So, of course, sometimes we don't think so clearly.

There's an area in Washington called Foggy Bottom. Appropriately, this is where the State Department is located.

The truth is that ever since Lyndon Johnson entered the White House, the entire city of Washington has been enveloped in fog--fiscal fog and the fog that is generated when people tell less than the truth.

This Johnson fog has seeped from Washington into all parts of the country. It is otherwise known as the Credibility Gap. Lyndon Johnson is recognized as the symbol of it, and the presidential popularity polls reflect this.

Of course, Lyndon is generous. He shares the honors with other members of his Administration, including that most voluble gentleman, Vice President Hubert Humphrey,

Recently the country was shaken by the revelation that the Central Intelligence Agency had been covertly financing overseas activities of student and labor groups. Hubert Horatio Humphrey, never far from his guard post near Credibility Gap, immediately told an audience in Palo Alto, Calif., that this represented "one of the saddest times, in reference to public policy, our government has had." He said he was "not at all happy about what the CIA has been doing." That was on February 21.

Two days later the President upheld the CIA's conduct.

On February 27, Happy Hubert unhappily told the AFL-CIO in convention at Miami the CIA had "done nothing but follow the policies of higher authority," He vigorously defended the CIA, where only six days earlier he had condemned its ties to student and labor organizations,

It is exactly this kind of contradiction, backpedalling, failure to live up to statements that has created the Credibility Gap. It has cost the Johnson Administration the confidence of the American people. Our people are uneasy about their leaders in Washington.

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This Crisis of Confidence erodes the strength of the Nation. It weakens our moral fiber just as surely as does the soaring crime rate which has jumped most alarmingly even as the Great Society was supposed to enhance the quality of life for all Americans.

The Credibility Gap is widening.

On January 30 the Johnson-Humphrey Administration admitted it has been concealing roughly half of our aircraft losses in Vietnam. Officials said they did this by reporting only the losses through combat and keeping quiet about destruction of U.S. planes due to other causes.

There is a long list of Credibility Gap incidents, ranging from official statements subsequently proved false to figure juggling in the federal budget, and from empty promises in the anti-poverty war to misleading moves in the Vietnam War.

It is ironic that Secretary of Labor Willard Wirtz recently accused the press of distorted reporting when it was he who distorted government employment figures to make the Johnson Administration look good during the 1964 presidential campaign.

The Crisis of Confidence extends to the Congress, where the Adam Clayton Powell case has at least temporarily eclipsed the need to revise and revamp the Great Society programs already enacted into law. I fear that crisis of confidence may never be resolved unless Democrats join with Republicans in creating a Select Committee on Ethics and Conduct to police the House of Representatives. I hope they don't try to sweep the whole matter of congressional ethics under the rug.

The Fiscal Fog in Washington is growing thicker by the minute. President Johnson poses as an economical chief executive. This is the greatest myth that was ever floated before the American people.

When the figures are adjusted to tell the truth, we find that the Johnson-Humphrey Administration has spent \$40½ billion more than it has taken in during the years 1964, '65, '66 and '67. That's red ink that's flooding the federal ledgers at the rate of \$10 billion a year, \$800 million a month, or \$40 million a day on the basis of a five-day work week.

The truth is we just can't afford the Johnson Administration.

Republicans aren't wedded to a balanced budget, certainly not in wartime emergencies. There are times when it's not only impossible but even inadvisable. But we should be running a budget surplus in times of prosperity--and that's something the Democratic Party seems incapable of. If we can't balance the budget when the country is prosperous, when will we ever do it?

In the 112 years since the present two-party system came into existence, Democrats have controlled both branches of Congress for 42 years; Republicans, for 48 years. Congress was divided between the parties in 22 of the 112 years.

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Democrats put this country in the red in 35 of the years they held power, and balanced the budget only seven times.

By contrast, Republicans produced surpluses in 31 years and incurred deficits in only 17.

That's the record of the Responsible Republican Party. I'll let you categorize the other party for yourselves.

The Johnson-Humphrey Administration simply ignores its deficits and keeps plunging blindly ahead with an unparalleled surge of federal spending. All this time the business of phoney economy and phoney budgeting crowds in on us.

Is all of this excessive spending due to the Vietnam War? Not at all. From 1965 to 1968 federal spending rose by \$17 billion a year. If we subtract every penny of Vietnam spending between fiscal 1965 and 1968, we still find an increase of \$29 billion in overall federal expenditures--or an annual increase of nearly \$10 billion.

Federal spending under the Johnson Administration clearly is getting out of hand. The year of Democrat duplicity is taking its toll.

I refer to 1966 when the Johnson Administration plowed ahead full tilt with Great Society spending programs and underestimated Vietnam War spending by \$10 billion to cover up the true rate of federal spending. At the same time, prices soared because federal spending over-stimulated the economy.

We're hurting. The United States is hurting now. The chickens have come home to roost.

President Johnson wants to load an income tax increase on Americans hit last year by the sharpest rise in the cost of living since the Korean War. But he has so mismanaged the economy that it's doubtful the economy can take it. Today most economists are opposed to Johnson's tax increase because it might well trigger a recession.

The sagging state of the economy means that the fiscal 1968 deficit probably will run more than \$15 billion, a record except for the years during World War II.

This situation is a direct result of the fact that Mr. Johnson last year ignored Republican demands that he cut domestic spending and spurned the advice of eminent economists who said that was the time to raise income taxes and cool off an overheated economy.

Lyndon Johnson is a master politician, but his politics gets in the way of the good of the Nation.

The people have suffered--the worker, the farmer.

Workers have found inflation biting into their real spendable earnings despite sizable wage increases.

Farmers have been caught in a cost-price squeeze that has left them low men on the totem pole in an era of seeming prosperity. (MORE)

There is talk of revolt in the farm states--and this is not surprising. Overall, farm prices have dropped 7.4 per cent from the 1966 peak reached last August. The price of oranges has plummeted from \$2.76 a box to 76 cents; cattle, from \$24 a hundredweight to \$21.60, and so on down the line.

Farmers are bitter because their prices are sagging, their costs are climbing and a tide of farm products is flooding in from abroad.

It was just about a year ago--in March, 1966--that Secretary of Agriculture Orville Freeman said he was "delighted" to see farm prices declining. His cup now runneth over. Parity--the ratio of the prices farmers receive to the prices they pay for what they need--now stands at 74, the lowest in two years, down 8 points from last year at this time.

*Start Here*  
The Democratic Party is tired, dispirited, disorganized, wandering aimlessly in search of solutions to many of the Nation's problems.

The Democratic Party is divided, deeply split over the issue that has plunged this country into painful soul-searching--the Vietnam War. Instead of united leadership, the American people find their President and another leader of the Democratic Party engaged in a bitter feud over Vietnam policy and involved in a shocking power struggle.

There is no question that an intense struggle for power now is under way in the Democratic Party. This is a battle that bodes ill for the Nation because it encourages the enemy to keep on fighting and thus prolongs the war. The American people are the losers.

Mr. Johnson himself has recognized the tragic situation produced by other leaders in his own party, Democratic critics of his Vietnam policy.

In comments March 9 to the Democratic National Committee, the President said: "You can't have 25 secretaries of state and a half-dozen secretaries of defense and all of them dreaming dreams."

The Democrats now are planning love feast fund-raising dinners at which the President and Bobby are supposed to kiss and make up. But I'm sure nobody is naive enough to believe that these dinner meetings will actually heal the breach between these Democratic leaders.

The Republican Party stands in sharp contrast to the Democrats--a contrast which I am sure is most welcome to the American people. We are united on Vietnam, alert to new ideas for solving the problems plaguing America.

The Democrats are still drawing on the theories of the New Dealers, the ideas born of depression.

Republicans are surging forward with imaginative new proposals. We are fashioning a bold program to lay before the American people in the next election--a program on which a Republican will run for the White House and will be elected.

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Where the Democratic Party piles one federal grant-in-aid program on another in a pyramid that is collapsing of its own weight, Republicans offer federal tax-sharing to rebate a fixed percentage of federal income tax revenue to the states and cities, help them solve their own problems more quickly and with their own priorities, and thus revitalize state and local government,

Where the Democratic Party relies on government-operated manpower training programs, Republicans would trigger a large-scale on-the-job training program across the Nation by giving employers a tax credit to pay part of the training costs and to match men to jobs. This is the best way to attack structural unemployment and to lick poverty.

Where the Democratic Party clubs industry over the head in a war against air and water pollution, Republicans would combine responsible enforcement with the incentive of a tax credit to win willing compliance and move more swiftly to clean up the country's air and water.

Where the Democratic Party would spend millions and ultimately billions of dollars on a Demonstration Cities program, Republicans would enlist industry in a partnership that would put billions in private capital into the task of clearing and rebuilding our asphalt jungles and solving urban ills.

Where the Democratic Party robs the low-income American of incentive and costs the taxpayer millions and ultimately billions of dollars with a rent subsidy program, Republicans offer a plan to promote home ownership by slum dwellers and give them a sense of pride.

Where the Democratic Party runs an anti-poverty program riddled with politics and waste and uses anti-poverty funds to train pickets, Republicans would revamp the program, cut out the waste, turn most of it over to old-line federal agencies that know how to handle it and remove it from the influence of big city politics.

The Republican candidate in 1968 will have a record to run on--positive GOP programs that will give New Direction to our Nation.

The American people are crying out for new leadership, a lean, efficient federal government, answers for the painful problems that perplex them at home and abroad, a new morality to shield them from the corrosive atmosphere of this era.

The Republican Party can provide the leadership the Nation so sorely needs.

You--all of you here--can be a part of that effort, a movement that will lead us toward a Good Society where every American will live in peace and freedom with his fellow man, fulfill his capabilities and receive a proper reward for his endeavors,

A great Republican President, Abraham Lincoln, established a touchstone for the Good Society when he said: "That men who are industrious and sober and honest in the pursuit of their own interest should after a while accumulate property and after that should be allowed to enjoy it in peace is right."

The Republican Party offers itself in service to the American people--that we may build that Good Society for which all men yearn. Thank you.