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"H"
~~SECRET~~
SUSPENSE

(QUELLO, James H.)

Re: Broading WJR June 20, 1965

Bernice Hase

May 4, 1965

Mr. James H. Quello
Station Manager
WJR
Fisher Building
Detroit, Michigan 48202

Dear Jim,

Thanks for your request to make a 13½-minute report for WJR's
"Your Government" broadcast series.

I will make arrangements with Miss Bernice Hase, of Clear Channel
Broadcasting Service in Washington, when she contacts me.

Warmest personal regards.

Sincerely,

EX 30255

Gerald R. Ford, M.C.

GRF:jm

Jack Kessler



WJR

THE GOODWILL STATION
FISHER BUILDING • DETROIT, MICHIGAN 48202

JAMES H. QUELLO
STATION MANAGER

April 30, 1965

Congressman Gerald R. Ford
House Office Building
Washington 25, D.C.

Dear Jerry:

WJR would like to resume the "Your Government" broadcast series, and we would like a $13\frac{1}{2}$ -minute report from you to the people of Michigan. Miss Bernice Hase, of the Clear Channel Broadcasting Service in Washington, will contact your office to arrange for the broadcast, scheduled 9:15-9:30 PM Sunday, June 20th.

As in the past, we plan to alternate the two Michigan Senators on the first Sunday of each month; alternate a Democratic and Republican Representative in the middle weeks of each month and schedule a monthly report from the Governor on the last Sunday of the month.

We know the people of Michigan will be interested in these regular monthly reports, and we trust the broadcasts will provide a useful vehicle for direct expression of your opinions in your own words.

Remember, too, that our newsroom is always interested in timely news developments that may come from your office.

Kindest regards,

JHQ

JHQ/dp



For "Your Government" broadcast series
WJR Detroit
for airing June 20, 1965

13½ minutes

TO BE TAPED IN GEF OFFICE JUNE 15

When I was a member of a University of Michigan football team we played one particular game I recall often these days.

We had traveled from Ann Arbor to meet the Gophers of the University of Minnesota. Coach Bernie Bierman's team was an unbeaten powerhouse that season, yet was going into the game with a unique record. Minnesota had failed to score on Michigan since 1929 and had not defeated the Wolverines at home since 1892.

Football fans may recall what happened that day in Memorial Stadium. I'll never forget it. In fact, I may still carry a few lumps---and some emotional bruises---from November 3rd, 1934, when we spent the afternoon trying to outplay Minnesota's famous All-American trio---Bevan, Larson and Lund---and their great team-mates.

Sportswriters had some kind words to describe our efforts. One praised our defense play and told how John Regecsi's punting kept Minnesota with its back to the wall during the first half. When the final gun sounded, a jinx of 41 years was broken---Michigan was defeated 34 to 0.

Another sportswriter said if Michigan's line replacements had been more plentiful, the score might have been lower. Perhaps, the Wolverines might have won the game.

-more-



As leader of the Republican minority in the House of Representatives, I compare our politically-outnumbered group with the Michigan team that played Minnesota..... we have the spirit and enthusiasm, but we lack power and strength in numbers.

Further comparing the 89th Congress with football, we are three-quarters way through the season and our record could be better. The legislative score is impressive one way, however—new laws have been passed with historic speed. But, I question whether the overall performance has been of All-American class. The record is long on quantity and short on quality.

I do not intend to spend this time with you harpooning my Democratic friends or President Johnson and his Administration, except to point out what I believe are some weaknesses in government at this time.

But first, I emphasize that the Congress put aside political differences to strengthen our Nation's fight against Communist aggression—the threat to freedom.

Although some of the President's own political empire dissented, Congress approved a \$700 million expansion of the military budget. This action showed the world that Americans are overwhelmingly behind the President in his decision to honor our foreign commitments. It was, in effect, a public

to strengthen our forces for the defense of the U. S.
in recent weeks
endorsement of the tougher line the President has been taking. *against communist aggression*

We cannot turn away from the fact that today America is fighting a worldwide war for liberty. True, it is still a cold war in certain places. At any moment, however, it could burst into global flames.



The action of Congress in supporting the President in South Viet Nam policy and military measures so far has other far-reaching effects.

In wartime, we have learned from experience, the American people cannot have both butter and guns...when Uncle Sam puts on his combat gear, he must take off his Santa Claus suit.....as military spending skyrockets, we must retrench somewhere along the line.

America is a rich country, but the riches are not unlimited. It has ^{long} been a dream of the Communist world that sooner or later America would spend itself into bankruptcy.....In this crucial time, I am confident Americans are prepared to do the best they can in a financial way---even if it means

doing without some *desires, or "groceries" that can come next month or next year*

Although the President so far has been given strong Congressional support in his actions against Communist aggression, I am concerned that the Administration has failed to take firm steps toward *fundamental problem in the* correcting the situation in Cuba.

Caribbean - which is Castro Cuba

The Administration has failed to carry out the original ^{offensive} attack against

Communism in Cuba which John F. Kennedy demanded.

It was a tragedy. The Bay of Pigs was a failure in April 1961 but this set back should not prevent America from

During the 1960 Presidential campaign and at the time of the Cuban missile ^{crisis}

crisis, the late President insisted on removal of all Soviet forces from

Fidel Castro's spawning ground for Communism. He called for support of

free Cuban forces both inside and outside of that country. And, he demanded

~~thereas~~ an end to the export of Communism from the strategic island, which is

almost within sight of our shoreline.

Those proposals outlined by the late President are sound today - - they should be ^{more} implemented or there will be additional trouble of the kind we are seeing in the Caribbean. Republicans will support a policy of strength in this hemisphere as we have elsewhere in the world.

suppose that later is still the promise of the pre-state in Latin America.

GERALD R. FORD LIBRARY

A few minutes ago I compared the 89th Congress with two football teams.

It seems to me that like the game I described involving the Wolverines of Ann Arbor and the Gophers of Minnesota, the score Congress has made this year so far would be somewhat different if the balance of strength between the

Republican and Democrat sides had been more even.

This is something I've been telling audiences many places in our Nation, speaking as Minority Leader of the House.

Naturally, when I speak at a Republican meeting, I talk about ways to strengthen our membership in the House and elsewhere in government. This evening I won't bore the Democrats who are listening to this WJR broadcast with such information.

However, I think all Americans should be concerned with two major dangers that threaten the foundations of our Democracy.

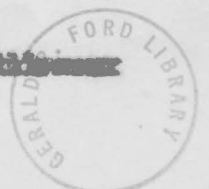
Speaking in a non-partisan way, I believe the dangers are the present imbalance of power in the legislative, executive and judicial branches—and the possibility that our strong two-party system could become a thing of the past.

When either political party controls Congress by a crushing majority, the traditional system of checks and balances, which is designed to protect the public interest, is endangered.

The present Congress is a good example of imbalance, with the same party that has an overwhelming majority in the House and Senate controlling the White House.

-more-

~~This President has not only been elected by a landslide but also by a landslide in the Senate.~~



The President has virtually unlimited resources for working his will---
a veritable army of experts, authorities, researchers, propagandists and the
like.

He is also king pin of the branch of government that employs $2\frac{1}{2}$ million
civilians and controls the destiny of 2 million 600 thousand military personnel.
These two groups have an annual payroll cost totalling \$28 billion---and
together they will spend more than 127 billion tax dollars in fiscal 1966.

This awesome power and the vast apparatus, if used improperly, could mean
the withering away and eventually the death of the two-party system.

Some observers have compared the work so far of the legislative branch---
Congress--- with the House and Senate in ~~1933~~ 1933 when Franklin D. Roosevelt
was president. In a sense, this may be true. We have passed more legislation
so far this session than during any comparable period I can recall. However,
quantity is not the same as quality. Nor do new laws guarantee remedies for
old or new problems.

It seems to me that a Congress of better balance would have adopted
better legislation at a slower, more deliberate pace.

Critics have said Congress frequently makes haste slowly. However, the
act of deliberate slowness is a safeguard against racing to the brink of decision.
It prevents a dangerous plunge. Congress should reach its decisions only after
adequate research, thought and ^{adequate} ~~extensive~~ discussion.

-more-



Reflecting on the duties and obligations of the third branch of government—it can be said the Federal Judiciary's function is to interpret the Constitution and the laws.

There is evidence that the Judicial Branch is arbitrarily elbowing its way to new positions of authority, disregarding the wise suggestions of judicial restraint made by the late Justice Felix Frankfurter and others.

When the Supreme Court ordered states to reapportion on the one-man, one-vote concept, Justice Frankfurter in a dissenting opinion was critical of the court assuming—in his words— "destructively novel judicial power."

Justice Frankfurter also said—"in this situation, as in others of like nature, appeal for relief does not belong here. Appeal must be made to an informed, civically militant electorate."

While talking with you on this WJR broadcast, I have spelled out the threatening imbalance of power in the present Congress, executive and judicial branches of our government.

The imbalance in our federal government

To correct this situation, I urge more citizens to become part of what Justice Frankfurter described as an informed, civically militant electorate. I encourage each of you to become more knowledgeable on all

sides of leading issues and with all political personalities. *This would be*

good insurance for the preservation of your rights - the freedom of our nation.

While we may not agree among ourselves as to our own choice of political parties and candidates, we should thoroughly agree that men and women who actively work for a party and candidates of their choice are better citizens.



Without any indulgence in partisanship, I am sure we can agree that a strong two-party system is bedrock assurance that our Democracy will survive, prosper, grow and help others in the world to accept their responsibilities in the society of free nations.

Now--- if you will allow me to comment on the Republican Party, which is out of power and a minority in Congress--- I believe we must earn the confidence and trust of the American people.

~~xBy earning this respect---and I stress the word "earning"---we can~~

bring a better balance to Congress and retain a strong two-party system, which is desperately needed to maintain our Democracy and to make this a better Nation.

Thanks for listening. I am happy to have this opportunity to speak with the WJR listening audience.

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For "Your Government" broadcast series
WJR Detroit
for airing June 20, 1965

13½ minutes

TO BE TAPED IN GRF OFFICE JUNE 15 at 10:30 a.m.

When I was a member of a University of Michigan football team we played one particular game I recall often these days.

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Although some of the President's own political empire dissented, Congress approved a \$700 million expansion of the military budget. This action showed the world that Americans are overwhelmingly behind the President in his decision to honor our foreign commitments. It was, in effect, a public endorsement of the ^{new, firm} ~~tougher~~ line the President has been taking. *& keep the threat of communist aggression away from our own shores.*

We cannot turn away from the fact that today America is fighting a worldwide war for liberty. True, it is still a cold war in certain places.

At any moment, however, it could burst into global flames. *but I am convinced*
& the President believes, so I interpret his policy, that
America, its citizens & its allies must challenge the atheistic dictators in Moscow, Peking or Castro in Cuba whenever they threaten freedom.

The action of Congress in supporting the President in South Viet Nam policy and military measures so far has other far-reaching effects.

In wartime, we have learned from experience, the American people cannot have both butter and guns...when Uncle Sam puts on his combat gear, he must take off his Santa Claus suit.....as military spending skyrockets, we must retrench somewhere along the line.

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#



1-minute radio tape for Congressional Committee

via phone June 29, 1965

The swift sword for freedom must strike mightier blows now---from the air and from the sea in the Viet Nam war. ~~They must be struck quickly.~~ They must be unleashed to prevent a costly and possibly never-ending land war in the steaming jungles and swamps of that southeast asian country.

Republicans are against a massive ground war in Viet Nam. We know the pitfalls of being over-committed in large-scale jungle warfare... fighting under the rules of the enemy.

~~Experience and logic prove there is a better way to impress the enemy with our power... it should be forcefully demonstrated in the air with attacks on significant military targets...and on the sea with a naval quarantine to shut off the flow of martial that fattens the enemy's war arsenal.~~

Power-hungry Communist leaders will dodge the negotiation table until they are convinced by stepped-up air attacks and a naval quarantine that the United States will stay in Viet Nam until peace with both honor and meaning is achieved.

#



The President's proposed budget would mean Americans will pay more
for everything. Under the program contemplated by the White House the
cost of living would increase two percent.

The budget from President Johnson threatens to make the lurking shadow
of inflation a monster of reality.

The Administration's financial ~~document~~ document tries to go in both directions at
the same time. It calls for even more federal spending in dubious areas and
ignores any sensible corner-cutting on non-essential domestic programs.

Republicans support all necessary funds for national security. At the same
time, Republicans insist on setting priorities at home without sacrificing
the proven needs of the ^{American} people....all the people.

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Breakfast nickelation 8:30 Truitt (Dining room)
Amphors Hebe Thavis



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STATEMENT BY HOUSE MINORITY LEADER GERALD R. FORD, R-MICH.
ON THE AIR 2 P. M., MARCH 25, 1966.

I believe Congress should thoroughly investigate the rash of reported sightings of unidentified flying objects in Southern Michigan and other parts of the country.

I feel a congressional inquiry would be most worthwhile because the American people are intensely interested in the UFO stories, and some people are alarmed by them.

Air Force investigators have been checking on such reports for years but have come up with nothing very conclusive.

In the light of these new sightings and incidents near Ann Arbor, Michigan, and elsewhere, it would be a very wholesome thing for a committee of the Congress to conduct hearings and to call responsible witnesses from the executive branch of the government and other witnesses who say they have sighted these objects.

I think the American people would feel better if there was a full-blown investigation of these mysterious flying objects, which some persons honestly believe they have seen.

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(MORE)



UFO STATEMENT

-2-

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APRIL 5, 1966

WETA-TV DOCUMENTARY ON GREAT SOCIETY, CREATIVE FEDERALISM, AND APPALACHIA
BY HOUSE MINORITY LEADER GERALD R. FORD, R-MICHIGAN.

The American people are a great people. They have built a mighty nation from humble beginnings. From the earliest days of this republic, our people have yearned toward greatness and have displayed the pride and spirit necessary to achieve it.

We have been building a great society on the North American continent ever since the early settlers came to these majestic shores and began carving out a new life for themselves in the wilderness.

President Johnson has seized upon a phrase--the Great Society--and has given it propaganda value. He tried it out in a University of Michigan commencement address before he quite knew what he was going to do with it. It caught on, and he has been capitalizing on it politically since then.

Let's take a good look at the Great Society catch-phrase. What does it really mean?

Briefly stated, it is the old New Deal updated. It is the New Deal warmed over and fluffed up into a giant omelet of Big-Daddy Government that is overflowing the sides of the pan and threatening to put out the fire. By "the fire " I mean the pride and spirit of industry and incentive which have generated the greatness we see everywhere about us in this rich and beautiful land of ours.

There is nothing really new in Lyndon Johnson's "Great Society" program-- nothing that does not flow out of the "New Deal" or out of the Kennedy Administration's attempts to build a mighty political machine in every city in the nation.

(MORE)

WETA-TV DOCUMENTARY ON GREAT SOCIETY, ET AL.

Look at some of the facets of the anti-poverty program. The Job Corps is the old Civilian Conservation Corps of depression days reshaped to fit a nation of big cities. The college work-study program is the old National Youth Administration idea. The Community Action Program is the local community uplift program hooked to federal money and, not incidentally, to federal dictation.

We Republicans have not opposed all phases of the President's so-called "Great Society" program. We have voted for parts of it, *particularly I had start* and we have improved some of the legislation implementing it as it moved through Congress.

Most of the objectives are desirable, but the end does not always justify the means. This is true just as much in government as in individual conduct.

When Republicans are returned to power in Washington, we also will offer the people a program that promises great progress toward realization of this nation's goals and dreams.

The Republican attitude toward what President Johnson calls his "Great Society" program is based on the difference in philosophy between the two major political parties.

We feel that we are the Party of the People because of this difference in philosophy. Republicans want to help people do more for themselves.

Democratic Administrations just want to do things for people. This is epitomized by the cynical question asked by those whose votes can be bought:

"What have you done for me lately?"

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We, too, want to make this an ever greater nation--but not through sacrifice of the spirit and incentive by which the American people already have made themselves great.

This does not mean we are sit-patters. This does not mean we oppose just for the sake of opposing....It means we think our way of leading America to greatness is better than the way of Lyndon Johnson and the liberal Democrats.

President Johnson in his 1965 State of the Union message defined his Great Society program as aimed at improving the "quality" of the American people. Republicans believe it may undermine the character of the people instead of strengthening it because as engineered by Lyndon Johnson, it smacks too much of "Big-Daddy-will-take-care-of-you."

Perhaps the best example of this is the rent subsidies program for which the House recently voted funds by an eight-vote margin. The fact that some Democrats joined Republicans in voting against the funding of this program points up the basic weakness of it.

Republicans feel the rent subsidies program should not be launched at this time, when we are fighting a multi-billion-dollar war in Vietnam.

But apart from that, there is the basic question underlying a program like that of rent subsidies, What does it do to a family to have the government pay three-fourths of its rent bill? Will this be an incentive for this family to buy or build a home of its own someday? I doubt that very much. I think the effect will be to destroy initiative. It will only be natural for the

(MORE)

WETA-TV DOCUMENTARY ON GREAT SOCIETY, ET AL.

family living in a government-subsidized apartment to stay there the rest of its days and let the government--that's every taxpayer--pay most of the rent.

Where we Republicans have attacked so-called Great Society bills, it has been because this legislation threatened to stifle state, local, and private initiative or launched expensive new programs in a time of inflationary peril. We have made repeated attempts to improve Great Society legislation, and in some instances we have succeeded.

We gave strong support on final passage to the higher education bill, vocational training loan bill, the immigration bill, the Older Americans Act of 1965, various bills in the field of health, manpower development and training, various anti-crime bills, measures for the control of air and water pollution and water resources planning, and the 1965 voting rights bill.

Republicans made a huge contribution to the health care of older Americans in 1965. It was Republicans, not Democrats, who proposed a program of matching contributions to cover the medical expenses of oldsters. The Democrats snatched up the plan--and combined it with their program of hospitalization under social security.

President Johnson for two years now has been tossing around another phrase which is as nebulous as his "Great Society" catchword was originally. He talks about "creative federalism."

Mr. Johnson speaks of creative federalism in terms of working with the states and local communities to solve various problems and of developing new fiscal arrangements to promote that so-called partnership.

(MORE)

WETA-TV DOCUMENTARY ON GREAT SOCIETY, ET AL.

This is an extension of what the Kennedy Administration tried to do when it conducted regional White House conferences throughout the country.

As we Republicans see it, creative federalism promotes not so much a partnership between the federal government and the states and localities as it does a dependence upon the federal bureaucracy.

This so-called "creative federalism" is marked by a shift away from the old, across-the-board grants in aid toward specifically targeted programs that carry with them greater federal restrictions. This, of course, means less authority for governors. It means more and more that Washington is running the whole show, bypassing states and working directly with local communities as in the anti-poverty program or as in employing a federal boss to direct a multi-state program like Appalachia.

Local officials are wary of such potential czardom, and well they might be. The term "federal coordinator," as employed in the proposed Demonstration Cities bill, sounds innocent enough. But it is another step toward creating a new layer of federal bureaucracy--the "federal mayor."

Is it only Republicans who worry about this new trend toward greater federal dictation to states and local communities? Not at all. It was California's Democratic governor, Pat Brown, who recently moaned that "while an increasing number of Government services are administered under joint state and federal auspices, the governor is brought into the policy-making discussions only infrequently, informally and haphazardly."

(MORE)

WETA-TV DOCUMENTARY ON GREAT SOCIETY, ET AL.

The Appalachia program is an example of what Mr. Johnson calls "creative federalism." It passed the House a little more than a year ago, 257 to 165. It was the first major Great Society bill to clear the 89th Congress.

Republicans opposed it on the ground that Congress was discriminating against other regions troubled with poverty pockets by pumping extra federal dollars into one particular part of the country. Well, Mr. Johnson has an answer for that. He now plans to use this same type of regional aid approach for other blocs of states. That way he can spend much more on such programs.

Instead of the general attack on poverty pockets throughout the country that House Republicans proposed early last year, the Administration plans to do it on a region-by-region basis. That way the dollar amount in each bill does not seem overly great, but all the bills put together will add up to a whopping sum.

Are federal dollars the only answer to the economic woes of areas with played-out coal mines and iron ore mines depleted of high grade ore?

One answer in those areas is to capitalize on assets not yet fully developed-- such as prospects for promoting a richly rewarding tourist industry or turning other natural resources not yet fully tapped into jobs and local dollars. This can often be done through state and local action. Minnesota, for instance, has persuaded industry to make use of that state's virtually unlimited low-grade iron ore reserves by giving industry a tax break as an incentive. Incidentally, this break was voted by the people--not handed to industry by the State legislature.

This is local and state creativeness. This is creativeness at its best. This is the people speaking and solving their problems. This is what we Republicans believe in.

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BY HOUSE MINORITY LEADER GERALD R. FORD, R-MICHIGAN.

The American people are a great people. They have built a mighty nation from humble beginnings. From the earliest days of this republic, our people have yearned toward greatness and have displayed the pride and spirit necessary to achieve it.

We have been building a great society on the North American continent ever since the early settlers came to these majestic shores and began carving out a new life for themselves in the wilderness.

President Johnson has seized upon a phrase--the Great Society--and has given it propaganda value. He tried it out in a University of Michigan commencement address before he quite knew what he was going to do with it. It caught on, and he has been capitalizing on it politically since then.

Let's take a good look at the Great Society catch-phrase. What does it really mean?

Briefly stated, it is the old New Deal updated. It is the New Deal warmed over and fluffed up into a giant omelet of Big-Daddy Government that is overflowing the sides of the pan and threatening to put out the fire. By "the fire," I mean the pride and spirit of industry and incentive which have generated the greatness we see everywhere about us in this rich and beautiful land of ours.

There is nothing really new in Lyndon Johnson's "Great Society" program--nothing that does not flow out of the "New Deal" or out of the Kennedy Administration's attempts to build a mighty political machine in every city in the nation.

WETA-TV DOCUMENTARY ON GREAT SOCIETY, ET AL.

Look at some of the facets of the anti-poverty program. The Job Corps is the old Civilian Conservation Corps of depression days reshaped to fit a nation of big cities. The college work-study program is the old National Yough Administration idea. The Community Action Program is the local community uplift program hooked to federal money and, not incidentally, to federal dictation.

We Republicans have not opposed all phases of the President's so-called "Great Society" program. We have voted for parts of it, and we have improved some of the legislation implementing it as it moved through Congress.

Most of the objectives are desirable, but the end does not always justify the means. This is true just as much in government as in individual conduct.

When Republicans are returned to power in Washington, we also will offer the people a program that promises great progress toward realization of this nation's goals and dreams.

The Republican attitude toward what President Johnson calls his "Great Society" program is based on the difference in philosophy between the two major political parties.

We feel that we are the Party of the People because of this difference in philosophy. Republicans want to help people do more for themselves.

Democratic Administrations just want to do things for people. This is epitomized by the cynical question asked by those whose votes can be bought:

"What have you done for me lately?"

(MORE)



WETA-TV DOCUMENTARY ON GREAT SOCIETY, ET AL.

We, too, want to make this an ever greater nation--but not through sacrifice of the spirit and incentive by which the American people already have made themselves great.

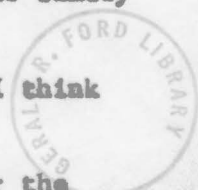
This does not mean we are sit-patters. This does not mean we oppose just for the sake of opposing....It means we think our way of leading America to greatness is better than the way of Lyndon Johnson and the liberal Democrats.

President Johnson in his 1965 State of the Union message defined his Great Society program as aimed at improving the "quality" of the American people. Republicans believe it may undermine the character of the people instead of strengthening it because as engineered by Lyndon Johnson, it smacks too much of "Big-Daddy-will-take-care-of-you."

Perhaps the best example of this is the rent subsidies program for which the House recently voted funds by an eight-vote margin. The fact that some Democrats joined Republicans in voting against the funding of this program points up the basic weakness of it.

Republicans feel the rent subsidies program should not be launched at this time, when we are fighting a multi-billion-dollar war in Vietnam.

But apart from that, there is the basic question underlying a program like that of rent subsidies, What does it do to a family to have the government pay three-fourths of its rent bill? Will this be an incentive for this family to buy or build a home of its own someday? I doubt that very much. I think the effect will be to destroy initiative. It will only be natural for the



WETA-TV DOCUMENTARY ON GREAT SOCIETY, ET AL.

family living in a government-subsidized apartment to stay there the rest of its days and let the government--that's every taxpayer--pay most of the rent.

Where we Republicans have attacked so-called Great Society bills, it has been because this legislation threatened to stifle state, local, and private initiative or launched expensive new programs in a time of inflationary peril. We have made repeated attempts to improve Great Society legislation, and in some instances we have succeeded.

We gave strong support on final passage to the higher education bill, vocational training loan bill, the immigration bill, the Older Americans Act of 1965, various bills in the field of health, manpower development and training, various anti-crime bills, measures for the control of air and water pollution and water resources planning, and the 1965 voting rights bill.

Republicans made a huge contribution to the health care of older Americans in 1965. It was Republicans, not Democrats, who proposed a program of matching contributions to cover the medical expenses of oldsters. The Democrats snatched up the plan--and combined it with their program of hospitalization under social security.

President Johnson for two years now has been tossing around another phrase which is as nebulous as his "Great Society" catchword was originally. He talks about "creative federalism."

Mr. Johnson speaks of creative federalism in terms of working with the states and local communities to solve various problems and of developing new fiscal arrangements to promote that so-called partnership.

WETA-TV DOCUMENTARY ON GREAT SOCIETY, ET AL.

This is an extension of what the Kennedy Administration tried to do when it conducted regional White House conferences throughout the country.

As we Republicans see it, creative federalism promotes not so much a partnership between the federal government and the states and localities as it does a dependence upon the federal bureaucracy.

This so-called "creative federalism" is marked by a shift away from the old, across-the-board grants in aid toward specifically targeted programs that carry with them greater federal restrictions. This, of course, means less authority for governors. It means more and more that Washington is running the whole show, bypassing states and working directly with local communities as in the anti-poverty program or as in employing a federal boss to direct a multi-state program like Appalachia.

Local officials are wary of such potential czardom, and well they might be. The term "Federal coordinator," as employed in the proposed Demonstration Cities bill, sounds innocent enough. But it is another step toward creating a new layer of federal bureaucracy--the "federal mayor."

Is it only Republicans who worry about this new trend toward greater federal dictation to states and local communities? Not at all. It was California's Democratic governor, Pat Brown, who recently moaned that "while an increasing number of Government services are administered under joint state and federal auspices, the governor is brought into the policy-making discussions only infrequently, informally and haphazardly."

WETA-TV DOCUMENTARY ON GREAT SOCIETY, ET AL.

The Appalachia program is an example of what Mr. Johnson calls "creative federalism." It passed the House a little more than a year ago, 257 to 165.

It was the first major Great Society bill to clear the 89th Congress.

Republicans opposed it on the ground that Congress was discriminating against other regions troubled with poverty pockets by pumping extra federal dollars into one particular part of the country. Well, Mr. Johnson has an answer for that. He now plans to use this same type of regional aid approach for other blocs of states. That way he can spend much more on such programs.

Instead of the general attack on poverty pockets throughout the country that House Republicans proposed early last year, the Administration plans to do it on a region-by-region basis. That way the dollar amount in each bill does not seem overly great, but all the bills put together will add up to a whopping sum.

Are federal dollars the only answer to the economic woes of areas with played-out coal mines and iron ore mines depleted of high grade ore?

One answer in those areas is to capitalize on assets not yet fully developed-- such as prospects for promoting a richly rewarding tourist industry or turning other natural resources not yet fully tapped into jobs and local dollars. This can often be done through state and local action. Minnesota, for instance, has persuaded industry to make use of that state's virtually unlimited low-grade iron ore reserves by giving industry a tax break as an incentive. Incidentally, this break was voted by the people--not handed to industry by the State legislature.

This is local and state creativeness. This is creativeness at its best. This is the people speaking and solving their problems. This is what we Republicans believe in.

REPRESENTATIVE FORD

[1966]

Joint Leadership

ON MARCH 31ST LAST, THE SECRETARY OF AGRICULTURE, ORVILLE L. FREEMAN ANNOUNCED THAT THE PRICES OF FARM PRODUCTS HAD DROPPED DURING THE PRECEDING WEEKS AND EXPRESSED DELIGHT IN THIS FACT. THE PRESS THROUGHOUT THE NATION REPORTED HIS ELATION IN DETAIL AND FARMERS THROUGHOUT AMERICA REACTED ANGRILY.

THE NEW YORK TIMES BEGAN ITS REPORT ON THE SITUATION IN THIS WAY:

"SECRETARY OF AGRICULTURE ORVILLE L. FREEMAN EXPRESSED PLEASURE TODAY WITH THE FACT THAT THE PRICES OF FARM PRODUCTS HAD DROPPED RECENTLY.

"IT WAS THE FIRST TIME IN THE MEMORY OF FEDERAL FARM OFFICIALS THAT A SECRETARY OF AGRICULTURE INDICATED THAT HE WAS PLEASED WITH



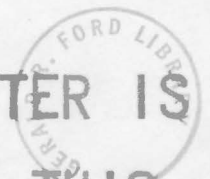
A DECREASE IN FARM PRICES. LIKE MR. FREEMAN, THE OFFICIALS WERE HAPPY TO NOTE THAT CONSUMERS WOULD BENEFIT FROM LOWER PRICES BY THIS SUMMER."

LET ME REPEAT THAT LAST SENTENCE:
"LIKE MR. FREEMAN, THE OFFICIALS WERE HAPPY TO NOTE THAT CONSUMERS WOULD BENEFIT FROM LOWER PRICES BY THIS SUMMER." THERE IS ONLY ONE FLAW IN THIS STATEMENT. IT SIMPLY ISN'T TRUE. PARADOXICALLY, AS FARM PRICES HAVE MOVED STEADILY DOWNWARD, RETAIL FOOD PRICES HAVE RISEN EVEN MORE RAPIDLY AND THE DEPARTMENT OF LABOR'S COST OF LIVING INDEX HAS CONTINUED TO CLIMB TO RECORD HIGHS.



SECRETARY FREEMAN, ECONOMIC ADVISOR GARDNER ACKLEY, AND EACH OF THE OTHER PROMINENT AGRICRATS HAVE TRIED, REPEATEDLY AND WITH ZEAL, TO MAKE THE AMERICAN FARMER AND HIS FAMILY THE WHIPPING BOYS FOR THE INFLATION THAT IS STEADILY TAKING MORE AND MORE DOLLARS FROM THE POCKETS OF EVERY AMERICAN. THE HOUSEWIVES OF AMERICA SHOULD BE TOLD THAT 61 PERCENT OF THE COST OF THE FOOD IN THEIR MARKET BASKETS IS ADDED AFTER IT LEAVES THE FARM. I REPEAT-- THE HOUSEWIVES OF AMERICA SHOULD BE TOLD THAT 61 PERCENT OF THE COST OF THE FOOD IN THEIR MARKET BASKETS IS ADDED AFTER IT LEAVES THE FARM.

THE COLD HARD FACT OF THE MATTER IS THAT THE RISING COSTS OF LIVING IN THIS COUNTRY CAN BE ATTRIBUTED PRIMARILY TO



THE EXCESSIVE, RECKLESS SPENDING OF OUR PEOPLE'S MONEY FOR WASTEFUL, TOO OFTEN UNNECESSARY PROGRAMS CONCEIVED BY THE SO-CALLED GREAT SOCIETY PLANNERS AND CONCURRED IN BY THE GREAT MAJORITY OF DEMOCRATS IN CONGRESS.

SECRETARY FREEMAN HAS ALLEGED THAT DURING HIS TENURE OF OFFICE THE AMERICAN FARMER HAS ENJOYED A FIFTY PERCENT INCREASE IN HIS INCOME. WILL ALL THE FARMERS WHO HAVE ENJOYED A REAL INCOME INCREASE OF FIFTY PERCENT PLEASE STAND UP? OR, BETTER YET, LET THE ADMINISTRATION AND THE CONGRESS HEAR FROM YOU BY LETTER, WIRE, OR TELEPHONE. FARM ORGANIZATIONS, FARM STATE NEWSPAPERS, FARM LEADERS AND COUNTLESS INDIVIDUAL FARMERS FROM COAST TO COAST ARE BOILING WITH ANGER OVER THE

POLICIES AND PRACTICES OF THIS
ADMINISTRATION WHICH ARE DRIVING FARM
PRICES SWIFTLY DOWNWARD AND CONSUMER
COSTS HARSHLY UPWARD WITH EACH PASSING
DAY.

LET THERE BE NO MISTAKE. THE
JOHNSON-HUMPHREY ADMINISTRATION IS
USING AND ABUSING AMERICAN FARMERS AND
RANCHERS AS THE SCAPEGOATS OF INFLATION.
TO THIS STATEMENT I ATTACH A LISTING OF
SPECIFIC EXAMPLES AND I INVITE YOUR
ATTENTION TO IT.

WHEN THE AGRICRATS OF THE JOHNSON-
HUMPHREY ADMINISTRATION IMPOSE POLICIES
AND PRACTICES WHICH HELP NO ONE AND HARM
EVERYONE, THE CONGRESS AND THE AMERICAN
PEOPLE ARE FULLY JUSTIFIED IN THEIR ANGER.
THE BOILING POINT IS NEAR AT HAND.



THEREFORE, OUR QUESTION-OF-THE-WEEK:
MR. PRESIDENT, ARE YOU GOING TO
KEEP PRICES DOWN ON THE FARM?



June 16, 1966

MEMORANDUM

TO: Honorable Gerald R. Ford
FROM: William B. Prendergast
SUBJECT: Farm Income

The real net farm income in 1965 was 15 per cent above the 1960 level. In 1965 it was \$14.1 billion; in 1960, \$12.3 billion. The increase is due entirely to increased government payments.

Because the number of farmers has decreased, real net income per farm was about one third higher in 1965 than in 1960.

For 1966, the Department of Agriculture estimates a \$1 billion increase in net farm ~~increase~~ income and a \$1 billion increase in government payments.

The Johnson-Humphrey Administration is using and abusing American farmers and ranchers as the scapegoats of inflation:

- (1) by domestic fiscal policies which have sharply increased farm production costs;
- (2) by market price manipulations which have decreased prices received by farmers, with the result that the present parity ratio stands at only 79, even including direct subsidies, despite Democratic promises of 100;
- (3) by refusing to admit that increased consumer prices -- increased food costs to the housewife and the wage-earner -- have not been caused by farmers, such consumer prices having risen steadily as farm prices have as steadily decreased;
- (4) by recommending drastic cuts in Congressional appropriations for school milk, school lunches, land grant colleges, and other vital programs;
- (5) by the Secretary of Agriculture's dumping of huge quantities of grain at unrealistic prices upon the domestic market in order to break and depress grain and livestock market prices;
- (6) by the Department of Commerce action of March 7, 1966 imposing restriction on the export of cattle hides, calf and kip skins, such action resulting in lower domestic livestock products,
- (7) by a large and unilateral increase in Cheddar cheese imports, without any attempt being made to secure reciprocal trade concessions from other nations to expand U. S. agricultural exports overseas;
- (8) by a sharp curtailment of purchases of pork and of butter and other dairy products by the Department of Defense;

and, I repeat -

- (9) by the Secretary of Agriculture's expression of pleasure with the fact that prices of farm products have dropped.

RADIO TAPE REMARKS

Agriculture Secretary Orville Freeman has told Democratic candidates for Congress to "slip, slide, and duck any question of higher consumer prices if you possibly can." I am not surprised that Mr. Freeman gave this advice to Democrats at a recent candidates conference. He knows full well that the Johnson-Humphrey-Freeman Administration is entirely to blame for the shockingly swift rise in the cost of living during the first half of 1966. He knows that the cost of living rose 2 per cent last year and is going up at a 3 to 4 per cent rate this year. Naturally Mr. Freeman is telling Democrats to avoid questions on inflation. He knows it's the No. 1 issue in the country and it is damaging to the Democrats.

#

Broadcasts - Ford

TELEPROMPTER SCRIPT

1-MINUTE TV SIMULCAST ANCHER NELSEN CAMPAIGN ENDORSEMENT, HOUSE TV STUDIO

1:30 pm. Friday, Aug. 2, 1966

ANNOUNCER: Ladies and Gentlemen, the Minority Leader of the United States House of Representatives, the Hon. Gerald R. Ford:

FORD: Those of you living in the Second District of Minnesota are fortunate to have Ancher Nelsen as your Congressman. A recognized farm expert who headed the REA during the Eisenhower Administration, Ancher is an effective and respected voice for rural America in Congress. He is ranking Republican on the House District Committee, a position of great responsibility. On the House Commerce Committee, Ancher handled many key pieces of legislation affecting the health, transportation and business conditions of our country. Ancher has led the Congressional battle to keep politics out of our civil service merit system. Ancher's responsible, common sense approach to questions of public policy is deeply appreciated by all who are committed to sound, two-party government. Keep Ancher working for you. We need him in Congress.

ANNOUNCER: This political broadcast paid by the Ancher Nelsen Volunteer Committee.



JOHN F. BURNETT
EXECUTIVE SECRETARY
SIOUX FALLS, SOUTH DAKOTA
WALTER C. CONAHAN
PRESS SECRETARY
LEOLA, SOUTH DAKOTA

United States Senate

WASHINGTON, D.C.

GOVERNMENT OPERATIONS COMMITTEE
SENATE INVESTIGATIONS SUBCOMMITTEE
ADVISORY COMMISSION ON
INTERGOVERNMENTAL RELATIONS

August 12, 1966

OK have them work on script with Paul

Honorable Gerald Ford
E230 United States Capitol
Washington, D.C.

Dear Gerry:

With respect to my forthcoming campaign, I'd like to ask a favor of you. Would it be possible for you sometime in the near future to do a 45-second television spot in my behalf at the House Recording Studio. The cost, of course, would be billed to me.

I would like to utilize it as a part of a one-minute spot for use back home in our television and radio advertising and would also appreciate permission to use the text in a news release at the appropriate time.

If you can see your way clear to make such a spot, you might wish to have the man in your office who works on these matters with you contact Walt Conahan in my office to make whatever arrangements are required.

With thanks for your consideration of this request, and my kindest regards, I am,

Cordially yours,

Karl E. Mundt, U.S.S.

KEM:cdc



Congress of the United States
Office of the Minority Leader
House of Representatives
Washington, D.C.

August 15, 1966

Honorable Karl E. Mundt
United States Senate
4121 Senate Office Bldg
Washington, D. C.

Dear Karl:

Thank you for your letter of August 12 with the kind invitation to prepare a 45-second television spot in your behalf.

You know that I will be pleased to do this and anything else I can to be helpful.

I will have my press secretary, Mr. Paul Miltich, get in touch with Walt Conahan to make the arrangements.

Warmest personal regards.

Sincerely,

Gerald R. Ford, M. C.

GRT:mc

✓ bcc: Mr. Paul Miltich - copy of original Mundt letter



Week Sept. 26, 1966

TO FUND-RAISER

My friends, there is a clear and present danger in America today--too much power concentrated in the hands of one political party.

To get good legislation, we need competition in Congress--a greater number of Republicans to challenge the mistaken policies of this Administration. Too many Democrats in Congress means too much federal spending, high prices in the marketplace, skyrocketing interest rates, conditions that lead to recession and unemployment.

In the past two years, the lopsided Democrat majorities in the House and Senate have passed too many laws too hastily and with too many loopholes. The Democratic Congress has passed laws with too many rough corners and without assessing current or ultimate costs.

The automatic-Democratic Congress last year and in 1966 rubber-stamped too much legislation demanded by the President.

America desperately needs an independent, cost-conscious Congress that will represent you, the taxpayer--you, the citizen.

More Republicans must be elected November 8 if we are to restore a competitive balance in Congress, break the Democratic stranglehold and protect the proper interests of all Americans.



CAMPAIGN TV SCRIPT

RE: CRIME--LAW & ORDER - 1966

ANNOUNCER: Ladies and Gentlemen, our Congressman, Jerry Ford.

MR. FORD: I was with Chuck Percy the evening before tragedy struck in his home early Sunday morning just a few weeks ago. Chuck Percy is a good friend and will make an outstanding United States Senator. But the scars of this terrible crime will be with him all of his life.

This murder was a dramatic example of crime in our country. As J. Edgar Hoover has said, "Citizens of this country ought to be able to walk on the streets of our cities without being mugged, attacked, or robbed." "But," he added, "we can't do that today."

The crime rate goes up every year, but one of the most startling facts is that the rate of criminal convictions is going down. This means that more crimes are being committed and more criminals are getting away with it.

What can we say to all this? First of all, we as parents can ask ourselves whether we are doing everything we can to instill in our children a devotion to law and order, a respect for other people and their property, and a sense of personal responsibility.

We look to our schools and colleges to promote good citizenship by developing a love of country and a deep appreciation for its institutions, and to provide every person with such training as will enable him to be a useful member of society.

We must also look to the church to develop high moral standards. The Ten Commandments and the Golden Rule, ancient as they are, are true and valid today.

(MORE)



-2-

The whole community, which means all of us, must be willing to report law violations and support law enforcement. I, therefore, strongly commend the Grand Rapids Traffic Squad for sponsoring the project CHEC, "Citizens Helping Eliminate Crime." They want 30,000 to 40,000 citizens to cooperate. You can help by signing up as a volunteer.

But what of the government? Former Justice Whittaker of the United States Supreme Court wrote recently that we all agree that a citizen's first duty is to uphold the law. But he added with emphasis, "It is also a first duty of government to enforce the law."

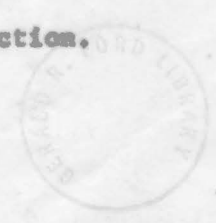
Leadership in high places is, consequently, most significant. I was, therefore, terribly disturbed when the Vice President of the United States stated recently that he had "enough spark left in (him) to lead a mighty good revolt under (certain) conditions."

And not too long ago, one of our top leaders told a national association that it should resort to "every means, even including bottle fighting" to retain its gains.

Our internal security has been established through a long history of justice under law. We don't need "bottle fighting;" we don't need top administration leaders who may be willing to "lead a mighty good revolt."

We call upon our national leaders to improve conditions that need improving. We call upon our leaders to secure to all Americans their constitutional rights. But we ~~can~~ expect our leaders to maintain order, to counsel the use of "due process of law," and to discourage rather than encourage ~~any~~ criminal action.

(MORE)



During this past session of Congress, I supported legislation which would make it a federal crime to travel in interstate commerce or to use any of the facilities of interstate commerce with the intent of inciting to riot or other forms of violence. This is one good step in the right direction.

I also voted to create a National Commission on Criminal Laws. This Commission would have the task of making a comprehensive study of all our federal criminal laws including decisions of the courts on criminal procedure. This must be done if we are to find ways of giving our law enforcement officers the tools they need to protect all of us.

New laws may help; but if we are to meet the problem of crime and lawlessness, we must recognize that a citizen's first duty is to uphold the law, and that "the first duty of government is to enforce the law."

I am asking for your support for reelection to the Congress so that I may continue my efforts in your behalf. We want a government where there is just enforcement of the law and a determined effort to protect the rights and best interests of every citizen.

ANNOUNCER: Vote on November 8. Vote Republican. Vote for Congressman Jerry Ford.



1966 - INFLATION

ANNOUNCER: One of the key issues in this election campaign is inflation. Here is our Congressman, Jerry Ford, to discuss this issue with you.

MR. FORD: Inflation is a thief. It robs you of hard-earned wage gains; it steals from your earnings. --(PAN TO INFLATION POSTER NO. 1 BRIEFLY)-- You can't lock your door against it. No use to bar the windows. --(CAMERA BACK TO FORD)--

What is inflation? It's the cost of living going up and up and up. It's price rise after price rise. Your dollar is worth less and less.

Are you making more now than you were last year? According to official government figures, the cost of living is going up faster than the average working man's income. --(PAN TO INFLATION POSTER NO. 2)--

This year inflation is on a rampage. Last year the cost of living was creeping upward. This year it's in orbit.

Who's to blame for this destructive inflation? Are you? Is labor? Is industry?

No, it is primarily President Johnson and his Democrat dollar shrinkers in Washington.

Budget deficits and a bigger National Debt equal shrunken money. --(SHIFT TO CLOSEUP OF POSTER NO. 3 AND THEN DRAW AWAY)--

The Johnson Administration and free-spending Democrats in the Congress are primarily responsible for our present frightening inflationary cycle. They could have stopped it, but they didn't. In fact, they encouraged it by continuing excessive spending policies and deficit financing.

How could the Democrats have halted inflation? By cutting back on non-essential federal expenditures before the fires of inflation began roaring out



of control. Timing is most important. Instead of moving last January to cut back on government spending, President Johnson encouraged new spending schemes.

There is every reason to believe the President will demand an increase in personal and corporate income taxes sometime after November 8.

It will be ironic, indeed, if Mr. Johnson succeeds in raising personal income taxes.

That would be a cruel joke on the people of this country--to be forced to pay higher taxes at the same time that prices are going up. --(GO TO CLOSEUP OF POSTER 3 AGAIN, THEN PULL BACK)-- And you'll be paying those high taxes with smaller dollars--dollars made smaller by Mr. Johnson and his Democrat dollar shrinkers. --(CAMERA BACK ON FORD)--

The truly tragic aspect of a possible income tax increase is that it will give the Johnson Administration and free-spending Democrats in Congress more taxpayer money to throw around.

I'd rather take from them some of the power to spend. I'd prefer to keep more money in your pockets.

Recently, Mr. Johnson came up with some helpful advice to the American people. He said any American who had nothing better to do than complain about inflation ought to join the Republican Party. There was more truth than poetry in those words. Democrats and independents ought to oblige him.

In another speaking appearance, Mr. Johnson had this comment to make on the problem of inflation--

--(CLIP OF JOHNSON SAYING: "So when these folks start talking to you about inflation, you tell them that's something you only have to worry about in Democratic administrations.")

--(BACK TO FORD)--

He is so right. You do have to worry about inflation. And it is his administration which is primarily responsible for bringing on inflation and failing to stop it.

As Republican leader in the House of Representatives, I led a fight to cut the President's non-military budget by 5 per cent this year. We had the support of nearly all the Republican congressmen, but only one out of five of the Democrats cooperated. Since Democrats in the Congress outnumber the Republicans more than two to one, it's easy to see why we couldn't win--why you couldn't win--on any economy votes.

You want to stop inflation? It can be done. Elect to public office men and women who not only talk about the danger of inflation but do something about it--men and women who will vote against unnecessary spending, who will insist on a balanced budget and sound money.

ANNOUNCER: Had enough of higher prices? Vote Republican, and return Jerry Ford to Congress.



1966 - TAXES & DEBT

ANNOUNCER: In a world of uncertainties, taxes are something that will always be with us. But our Congressman, Jerry Ford, knows that they do not have to go up. Jerry...

MR. FORD: Six years of deficit spending. That's what you've had under two Democratic Administrations. They've gone in the hole every year for six years. And the accumulated deficits add up to over \$30 billion.

Hasn't it ever struck you as strange... all the money the Federal Government takes from you in taxes, and they still can't balance the books. And if the Democrats can't balance the budget in times such as these, when will they do it?

This year the Federal Government will collect \$311 from every man, woman and child in the country. Well, the kids won't pay that, of course. You'll pay it for them.

Did you know that in just the past 10 years the income tax load per family in this country has jumped from \$1,242 to \$2,897? --(PAN TO INCOME TAX POSTER)-- That's more than double--and still our free-spending Democratic Administrations keep wallowing in the red. --(BACK TO FORD)--

The sad fact is that with a Democrat in the White House and with huge Democratic majorities in the Congress, the federal government isn't able to pay for its extravagances despite the tremendous tax burden you're carrying.

The free-spending Democrats will tell you that more taxes and a greater National Debt are nothing to worry about. But you still pay and pay.

They don't tell you that the government borrowing necessary to pay the bills has helped drive up interest rates to the highest point in more than 40



years. This makes it more expensive for you to buy a house or to buy a car.

They don't tell you that the National Debt now exceeds \$325 billion, up \$8 billion over a year ago (as of September 30). --(PAN TO DEBT POSTER)--

They don't tell you that each billion dollars in debt adds more than \$33 million per year to interest charges.

They don't tell you that the interest on the National Debt now totals a staggering \$13 billion a year.

These Democratic spenders don't tell you that you pay over \$1 billion a month in taxes just to pay the interest on the National Debt.

They don't tell you that this interest payment alone takes all the federal income taxes paid by everybody earning \$6,000 a year or less. --(BACK TO FORD)--

They talk about the Great Society, but they don't tell you that this \$13 billion interest payment comes to more than President Johnson has budgeted for health, welfare and education all lumped together. And if the Democrats do not balance the budget in times such as these, when will they ever do it?

President Johnson keeps telling the American people how much he and his lopsided Democratic majorities in Congress are giving the American people.

Anything you get you have paid for--and your future and that of your children and grandchildren are mortgaged to the hilt in the bargain. The next time Mr. Johnson tells you what he is giving you, remember your tax bill and think about that \$13 billion in interest on the National Debt. And if the Democrats do not balance the budget in times such as these, when will they ever do it? ----(PAN TO TAX POSTER NO. 2)----

All of the Presidents and Congresses through World War II taxed the American people a total of \$248 billion. The New Frontier-Great Society has



taxed us about \$500 billion, and you're paying every penny of it.

---(BACK TO FORD)--

Your tax burden has already been increased this year through higher social security taxes, higher excise taxes, and advance withholding of income taxes.

We know the fiscal 1967 budget will be far larger than the President has forecast. We know the President will demand another tax increase--after the election. We know that you do not want another tax increase. Taxes are high enough now.

There's a better way out of the mess we're in. Let's cut non-essential federal spending. How do we do that? Vote Republican on November 8.

ANNOUNCER: Had enough of high taxes? Vote Republican. Vote for Congressman Jerry Ford.



CAMPAIGN TV SCRIPT

1966 - HIGH INTEREST

ANNOUNCER: High interest rates are plaguing the American people. Here is our Congressman, Jerry Ford, to give you the lowdown on high interest. Jerry...

MR. FORD: First, let me read you a letter from a distressed wife and mother in Grand Rapids whose husband has been transferred by his employer. --(FORD READS FROM LETTER)-- She writes:

"We are unable to sell our modern four-bedroom home here due to high interest (currently 7 per cent), and the high down-payment required (currently a third). We are therefore unable to manage the 20 percent down-payment required on a home in New York State. Of course, I do not need to tell you how difficult this is for a family with young children."

The plight of this family is a most painful one. It is multiplied many times in similar cases throughout our district and all across America. It could have been prevented.

--(PAN TO HIGH INT. POSTER)--

Interest rates are the highest in 45 years. ^ You know what that means to the family interested in buying a home--interest payments of 6½ or 7 percent a year for 20 or 35 years.

But maybe you aren't about to buy a house, and so you say to yourself, 'What's high interest to me?'

High interest rates help to push up prices. They raise the businessman's costs and he generally passes the added cost on to the consumer.

High interest rates hurt every American. They show up in the form of price boosts all along the line. They hit the farmer, business, and the builder--and wind up hurting the consumer. High interest rates mean increased rents.

(MORE)

Interest rates on installment borrowing for cars and other consumer goods also are going up.

This could hurt car sales, could lead to unemployment in the auto plants.

This country is in deep economic trouble. The unsound economic policies of the Democrats are actually planting the seeds of a recession. How did we get this way?

High interest rates didn't just happen.

When inflation began its insidious attack upon the American economy last year, President Johnson refused to act. He refused to cut back on federal spending and thus take the excess air out of the economic bubble.

The bubble began swelling more and more. Seeing the vacuum of leadership in the White House, the Federal Reserve Board triggered a rise in interest rates in a move to prevent runaway inflation.

Interest rates went up, but the economy didn't level off. Prices continued going up, up, up. --(PAN TO PRICE SKYROCKET)-- The Johnson Administration kept spending, spending, spending. The cost of living went into orbit. Democrats in Congress kept voting more money for the Administration to spend and spend and spend.

Along with a war, Americans got a triple dose of inflation--high interest rates, high prices, and a record high level of unnecessary federal spending.

It's the Johnson Administration and the free-spending Democrats in Congress who are primarily to blame for high interest rates. It's not the Federal Reserve Board. The Board was forced to act because the President wouldn't.

Johnson-Democrat interest rates are hurting all America.

When the economy became overheated, Mr. Johnson and the Democrats went right on spending funds that should have been saved.



Inflation was threatening to destroy the economy, but most Democrats in Congress kept right on spending as usual. They resisted all Republican attempts to make deep non-military spending cuts--the best way to fight inflation. Instead they poured millions into such non-essential projects as Alaska's centennial celebration and Florida's Interama exposition. Scorning all Republican pleas for economy, the Democrats rammed through bills to spend \$9.5 million in taxpayer money on the Florida Interama and \$4.6 million on the Alaska centennial.

Today all Americans are paying the high cost of Johnson. They're paying for Johnson-Democrat inflation; they're paying Johnson-Democrat interest rates. You're paying and paying--every penny of it, in high prices, high interest, and high taxes.

ANNOUNCER: Want to change the high interest picture? Want to keep down prices and taxes? Vote Republican. Vote to reelect Jerry Ford to Congress.



RE: LANDRUM-GRIFFIN ACT

ANNOUNCER: The only major labor legislation passed by Congress in the last two decades has the name of a Michigan lawmaker on it. It is the Landrum-Griffin Act, co-authored by United States Senator Robert P. Griffin as a congressman in 1959. Michigan labor leaders have made the Landrum-Griffin Act an issue in Sen. Griffin's campaign. Here are Sen. Griffin and Rep. Gerald R. Ford, your Fifth District Congressman, to give you the real facts about the Landrum-Griffin Act.

MR. FORD: Bob, I hope you and I together can make known to the people of Michigan just what the Landrum-Griffin Labor Act is all about, because a lot of untruths have been told about it.

MR. GRIFFIN: Jerry, I really welcome this opportunity to lay the facts on the line about the Landrum-Griffin Act. The best way to do that, I think, is to remind people that this legislation was conceived during a period of flagrant ^{some} abuses by labor officials and was simply aimed at cleaning up that situation.

MR. FORD: I recall that one of the congressional leaders in the movement to clean up labor scandals in 1959 was the late President John F. Kennedy, who at that time was in the Senate.

MR. GRIFFIN: That's right, Jerry. The Senate passed what was known as the Kennedy-Ervin Bill, and the House approved the Landrum-Griffin Bill. The two bills were somewhat different, and so Jack Kennedy, I and certain other members of the House and Senate were given the job of working out a compromise acceptable to both houses of Congress. Jack Kennedy and I worked together very closely on

(MORE)



that compromise, so that when it was finally adopted some newspapermen said it could well have been called the Kennedy-Griffin Act. --(SEN TO L-C FORTHE NO. 1)--

In fact, it was Jack Kennedy who steered it through the Senate. Lyndon Johnson, who then was the Senate Democratic leader, voted for it. So did Sen. Phil Hart and the late Sen. Pat McClellan, who had been a union official. --(SEN TO L-C FORTHE NO. 1)-- The Landrum-Griffin Bill passed the House 332 to 32. The Senate approved it 93 to 2. --(SENATE ON FORTHE)--

MR. FORTHE: Bob, I find it really ridiculous that some labor leaders are trying to make you out as anti-labor for co-authoring a bill that was supported by the late President Kennedy, Lyndon Johnson and all but two Democrats in the Senate.

MR. GRIFFIN: Jerry, I feel sure that the people of Michigan won't swallow charges like that as long as they become aware of the facts. I think it's significant that former labor Secretary Arthur Goldberg said no honest labor leader could look upon the Landrum-Griffin Act as anything more than a minimum code of ethics.

MR. FORTHE: Bob, the present assistant Democratic Secretary of Labor, James J. Reynolds, recently said in a newspaper interview that the Landrum-Griffin Act is "one of the most constructive" pieces of labor legislation "in years." That's a direct quote. Mr. Reynolds also said "an image of the (Landrum-Griffin) Act has developed which I think is grossly unfair." There's a key word in what Mr. Reynolds said--and that word is "image."

MR. GRIFFIN: That's right, Jerry. Certain labor officials have tried to paint the Landrum-Griffin Act in evil colors. They hope this will rub off on us. The truth is that the Landrum-Griffin Act is in the public interest. It's also in the interest of the rank-and-file union members.

MR. FORD: I think you ought to straighten out the record right here and now.

MR. GRIZZIN: To set the record straight, here's a brief rundown on what the Landrum-Griffin Act is: --(SEE TO L-S PAGES NO. 8)-- It's a bill of rights for rank-and-file union members. It guarantees them honesty in the election of union officials and the conduct of union affairs. It's a law to protect the rank-and-file union member and a law to protect the public interest.

MR. FORD: Well, I'm not surprised some well paid union officials don't like it. After all, it gives a union member the right to speak out against union leaders without fear of reprisal. Some of these paid officials naturally wouldn't like a law that requires a financial accounting by union leaders every year and punishes against misuse of union funds. But, a few of the labor bosses don't like the Landrum-Griffin Act, but I feel sure the people of this country demand that it include rank-and-file union members.

MR. GRIZZIN: Jerry, I'm satisfied to let the people judge whether the Landrum-Griffin Act is good law.

ANNOUNCER: For responsible leadership, vote for Sen. Griffin and Rep. Ford on November 3. Vote responsibility.



RE: INFLATION - 1964

ANNOUNCER: Inflation--the steady and continuing rise in prices--is robbing Michigan's citizens of their wage gains. Here are two distinguished members of Congress--United States Senator Robert F. Griffin and Rep. Gerald R. Ford of the Fifth Congressional District to talk about this most pressing problem with you.

(NOTE: FORD & GRIFFIN TO HAVE NAMEPLATES IN FRONT OF THEM, CONSUMER PRICE INDEX CHART BEHIND THEM.)

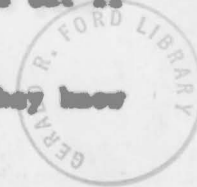
MR. FORD: Bob, I am most happy to have you with us on this program. ~~you are keenly aware of problems affecting the whole state,~~ *Michigan*.

MR. GRIFFIN: Jerry, certainly the problem that is most on the minds of all the people of Michigan, except for Vietnam, is inflation. My supermarket survey of housewives established that. I found they are most unhappy about high prices. That answer came through loud and clear.

--(PAN TO GREAT SOCIETY SUPERMARKET POSTER NO. 1 BEHIND--THEN TO FORD)--

MR. FORD: Bob, the most fantastic statements I have heard a Johnson Administration official make in recent weeks were the remarks of Labor Secretary Willard Wirtz before the AFL-CIO Committee on Political Education Convention in Detroit on Sept. 23. He actually had the nerve to stand before that audience and tell those people we don't really have inflation today--that inflation is just something Republicans are talking about in their speeches.

MR. GRIFFIN: Boy, Michigan housewives would really straighten Mr. Wirtz out if they had the chance--and they will have that chance on Election Day. They know



that the cost of living is going up about 3 per cent this year. That's twice as fast as in 1963--and 1963 was bad enough.

MR. FINE: That's right, Bob. Nobody in Michigan is going to be taken in by Mr. Wirtz's ridiculous statement because his own Bureau of Labor Statistics makes reports which show he's telling fairy tales. --(DON TO PRICE INDEX CHART)--

It's all here on this cost-of-living chart--a chart drawn from official figures furnished by the Bureau of Labor Statistics. Look at the way that cost-of-living line has soared upward. It shows a sharp climb, particularly in 1963 and this year. That's when President Johnson and the Democrats in Congress should have held down on non-defense spending but didn't.

Here is what's happened to prices--in black and white. Starting with the base figure of 100 in the 1957-59 period, we see that consumer prices have soared until in August--the latest figure we have here--the price indexometer hit an eight-year high, the 113.8 mark.

--(CAMERA CUT FOSTER AND ON GRIFVIN)--

MR. GRIFVIN: Our people in Michigan should realize that what all this means is just this: The 1957-59 dollar--on which our present Consumer Price Index is based--is now worth only 86 cents. This is like paying a 14% federal sales tax.

--(DON TO DOLLAR INCREASE FOSTER)--

MR. FINE: That's right, Bob. We've got cheap dollars today--cheap Johnson dollars. They just don't go very far. Every housewife on a budget and every senior citizen struggling to live on Social Security is painfully aware of that. --(CAMERA ON FINE)--
Bob, what this country is suffering from right now is Johnson inflation.

MR. GRIFFIN: That's absolutely right, Jerry. You know earlier this year, W. Allen Wallis, President of the University of Rochester and a former member of the President's Council of Economic Advisors, made this statement: "Inflation can only be generated by the government. Business firms, labor unions, consumers with excessive market power can do many objectionable things that are contrary to the public interest; but one objectionable thing they cannot do is to cause inflation--or, for that matter, prevent it."

MR. FORD: I wonder if your opponent in the November 8 election agrees with that statement. Or would he, like Mr. Johnson, blame the housewife, the farmer, industry and labor for the sharp rise in the cost of living.

MR. GRIFFIN: Jerry, I think inflation has caught up with Mr. Johnson and with Mr. Williams. The unfortunate part is that it's the American people who are picking up the tab.

MR. FORD: Bob, I think the people of Michigan ^{will} ~~will~~ vote to bring down high prices. I believe they ^{will} ~~will~~ vote for responsible government on November 8. ~~_____~~

ANNOUNCER: Sick of high prices? Vote Republican on November 8.

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The National Broadcasting Company Presents



MEET THE PRESS

America's Press Conference of the Air

Produced by LAWRENCE E. SPIVAK

Guest: TOM MBOYA
Minister of Economic Planning
and Development, Kenya

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GRAHAM HOVEY, *The New York Times*
CARL T. ROWAN, *Chicago Daily News*
LAWRENCE E. SPIVAK, *Permanent Panel Member*

Moderator: BRYSON RASH

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MEET THE PRESS

MR. RASH: Our guest today on MEET THE PRESS, although he is only 35, has earned a reputation as one of Africa's foremost spokesmen. He is Mr. Tom Mboya, the Minister of Economic Planning and Development of Kenya. Mr. Mboya arrived in this country this weekend. He is also Chairman of the United Nations Economic Commission for Africa and Secretary General of his country's ruling political party, the Kenya African National Union. Now we will have the first questions from Mr. Lawrence Spivak, the permanent member of the MEET THE PRESS panel.

MR. SPIVAK: Mr. Mboya, our press reported the other day that a Communist plot to overthrow your government had been uncovered. Is that report true?

MR. MBOYA: No, this is not true, and the Minister for Defense the next day made a correction of the report, pointing out that there had not been such a plot although, of course, in view of recent developments in Africa, we, like every other African government, have warned against any of our people or leaders getting involved with forces from outside.

MR. SPIVAK: Mr. Mboya, is it not true that there was a government announcement that there had been a Communist plot to overthrow—

MR. MBOYA: No, there was no such government announcement.

MR. SPIVAK: According to our press also, you stage-managed the conference which deprived Vice President Odinga of his power in your party. Why did you at this particular time move against him?

MR. MBOYA: First, I'd like to make a correction again that there was no question of a stage-managed party convention. The whole program of reorganizing the party has been going on since 1964. This is because the party was originally used in the struggle against colonialism, and once independence was won, it was necessary to revise its role and also to determine the part it would play in independent Kenya.

Since 1964 we have been organizing party branch elections in the districts. We have 41 districts in the country. This process came to an end last year, and the final position was to organize the party convention, which has now taken place.

In this reorganization we have had to amend the party constitution, and in the process of our amendment of the party constitution we have done away with the post of Deputy President of the party and replaced it with eight Vice Presidents. The purpose of this is to give the party a broader representation and bring in more people from the different provinces at the national executive level. In the course of this reorganization, the Deputy President—that is, the former Deputy President—lost his seat, but this was as a result of an election by the party convention. It is not a stage-managed affair.

MR. SPIVAK: You sound like an American politician, Mr. Mboya. You say there was no Communist plot, that your displacement of Mr. Odinga was just one of those things that happened in the natural process of things, that he himself does not lean towards Communism, and that everything was just in order.

Why did you, according to reports at least, expel six Communist diplomats—some newsmen, three Czechs, two Russians and a Chinese diplomat? Is this too inaccurate?

MR. MBOYA: First, I have not spoken of Mr. Odinga nor have I said anything about his leaning or not leaning toward communism. I have mainly spoken, in reply to your question, about the recent Party convention and the changes that we have made.

Coming to the absolute point you make now, regarding the recent decision to expel a number of people from Communist countries residing in Kenya, the decision was taken by the government on assessing certain facts or positions within the country relative to the activities of the individuals concerned.

We have diplomatic relations still with the USSR, with China and with Czechoslovakia. These expulsions did not have anything to do with whether or not we continue to recognize these countries.

MR. SPIVAK: Mr. Mboya, am I to understand there has been no Communist activity, there has been no attempt to overthrow your government, that you have had no trouble at all from the Communists in your country, is that what you are saying?

MR. MBOYA: I have not said—

MR. SPIVAK: I am asking the question.

MR. MBOYA: I am explaining the situation. If people have any predetermined ideas about these matters, I think the only persons who can interpret the position correctly would be ourselves. There have been activities by certain individuals from certain Communist countries, and those individuals have been expelled from our country because of those activities.

As regards the question of communism itself, our government's position is quite clear. We have published last year a Sessional Paper on African socialism in which we have quite clearly and categorically stated that we would not import into Kenya foreign ideologies, that for Kenya the ideology would be one of African socialism. That means that we reject communism. It also means that we reject capitalism in its well-known form of laissez faire capitalism, and we want to construct in our country and establish for our country our own system and our own society.

MR. ROWAN: Mr. Mboya, to follow up on Mr. Spivak's line of questioning, just so our viewers may have the record straight, I believe that in the last few weeks actually a dozen diplomats and newsmen from Communist countries have been expelled from Kenya, haven't they?

MR. MBOYA: That is quite true, yes.

MR. ROWAN: Then last fall a man from the New China News Agency was expelled after it was discovered he was the top Chinese Communist intelligence agent in Kenya? I believe that is correct, is it not?

MR. MBOYA: I will not state why he was expelled, but it is true that we did expel him.

MR. ROWAN: It is also true, isn't it, that in the last several months President Kenyatta has had occasion to say in several speeches that there is no room for communism in Kenya?

MR. MBOYA: This is not new. This is what we have said all along.

MR. ROWAN: And I believe that when I was in Kenya in the fall, the press had some large reports about a document purportedly distributed by the Chinese Communists calling for the overthrow of Mr. Kenyatta, is that not correct?

MR. MBOYA: We have had a number of such documents distributed and published.

MR. ROWAN: The point I am trying to establish is whether or not there is a genuine fear in Kenya today that there is some kind of move afoot to overthrow the government of President Kenyatta.

MR. MBOYA: There is no fear as such, but we have, as I have

already stated, taken certain steps that will insure that we do not have external interference in our affairs, and particularly that we do not have external forces trying to undermine the government of our country. In addition to the people that you have referred to and the decisions that we have taken recently, you may already know that we have also had to take action against, for example, a British monthly magazine, some British journalists and other people from other countries, essentially because these people have tried to interfere in the internal affairs of our country to try to undermine the stability and solidarity of our government.

MR. ROWAN: Are you suggesting that your fear of Great Britain is as great as your fear of the Communist bloc in this regard?

MR. MBOYA: When we expel a British journalist it is not the British government that we are fighting, it is the individual's actions. In this case, of course, the friendship we have with the British government and the cooperation that exists between us of course is much greater than that which we have with, say, the Communist countries. But the position that I am trying to establish is—and I think this is what must be made quite clear—that Kenya stands by her declared policy of complete nonalignment and that the actions we take against a Communist journalist or a Communist diplomat do not in any way mean that we have departed from this policy of positive nonalignment. These actions are taken entirely on their merit.

MR. ROWAN: I believe it is a fact, however, that some members of your Party last fall were publicly calling for a break in diplomatic relations with Communist China, is that not correct?

MR. MBOYA: That is correct, yes.

MR. ROWAN: And that would tend to indicate to a reasonable observer that they feel more strongly about this than perhaps anybody else who might be accused of meddling in your internal affairs.

MR. MBOYA: It depends on the degree of meddling by different people. This does not destroy the basis of our policy for positive nonalignment. We are dealing with each situation as we find it.

MR. HOVEY: Mr. Mboya, this Communist threat or lack of Communist threat apart, aren't you facing a very serious problem in internal unity in Kenya when it is felt necessary to humiliate the Vice President in the way that he was when he wasn't even given one of the eight Vice Presidencies of the Party? Isn't this a very serious thing when an elder of the Luo

tribe—I believe it's the second biggest tribe in Kenya—has to be treated in this way?

MR. MBOYA: This is a very interesting point of view, or argument, to put: Is it a humiliation to call for democratic elections at a convention? Do we now have to understand that democracy means a guarantee of a certain office or position for certain individuals?

MR. HOVEY: No, but I am suggesting—

MR. MBOYA: The fact that a person is not elected is not humiliation by itself. The people coming to the convention have a definite right to determine at the convention whom they want to elect. I could have as easily been left out or any other person. That does not mean a humiliation.

Another thing which I would like to correct immediately is that Mr. Odinga or myself or any other person who wishes to stand for office in Kenya does so as an individual, not because he represents a tribe. Mr. Odinga does not represent the Luo tribe any more than I do. The whole concept of leadership by tribe is one which we have been fighting against for a long time and which we believe we have ultimately found a way out of.

MR. HOVEY: I know that you have been fighting very honorably against tribalism, and I know, too, many of my African friends think we exaggerate tribalism in examining the problems of the new Africa. But aren't you really headed for a serious tribal situation if Mr. Odinga is involved in this reported move to form a new party with Mr. Ngei, I believe he is an Kamba, and I believe the Luos and the Kambas together would outnumber the Kikuyus in your country, isn't that right?

MR. MBOYA: I saw this kind of reasoning in The New York Times when I arrived here in an article that I read the other day—published in The New York Times the other day.

I want to make it quite clear that this is the most misleading statement that I have read.

Firstly, because it has no truth whatsoever. Mr. Ngei has publicly announced that he has nothing to do with the proposed "new" party, although in The New York Times they report him as supporting the new party.

And, secondly, even if Mr. Odinga and Mr. Ngei were to join the new party, that does not mean that the Wakamba people and the Luo people have joined the Ngei party because in the present government there is still a majority of Luo leaders in the government and there is still a majority of Wakamba leaders in the government.

This idea that some leaders in Kenya represent a tribe and can force that tribe to support this or that group is entirely false and misleading.

MR. HOVEY: Mr. Mboya, I know Mr. Ngei subsequently denied this and, incidentally, The Times also carried the denial, but you must have been worried with some pretty big names involved in this new party yourself, because I believe on March 14 you said something about the "big names in this game put forward some persons to start the party for them and wait to see public reaction before coming into the open." Now, that surely must have been aimed at Mr. Odinga, Mr. Ngei or people at a comparable level in Kenyan politics.

MR. MBOYA: I still believe that certain big names were involved, but this does not remove my point that—even if any big names were involved, that does not mean that a tribe was committed. And I think this idea of associating leadership with tribe and exaggerating the influence of a leader on a tribe is most misleading and also is destructive.

MR. HARSCH: Mr. Minister, to what extent was the economy of your country dependent upon aid from the Communist countries, from Russia and China?

MR. MBOYA: Taking China in the first place, since independence, we have received from China a gift of about a million pounds in cash. Beyond that there is no other economic or technical involvement.

From the Russians we had an agreement signed in 1964 with about nine projects. Two of these projects are gift projects. A hospital, a 200-bed hospital in Kisumu, and a one-thousand student technical college. Beyond this, there has been no other technical or economic involvement.

MR. HARSCH: Has there been any break in your receiving economic aid from the Communist countries that ties in with the events you have just been discussing with these other questioners?

MR. MBOYA: There has not been any flow of aid from these countries, and so the question doesn't arise.

MR. HARSCH: Since when?

MR. MBOYA: All the time.

MR. HARSCH: I have in front of me a newspaper clipping which says that there is some evidence that something like \$280,000 was made available—that would be 100,000 pounds—made available to Kenyatta's opponents by both the Soviet Union and China in an unsuccessful attempt to capture last week's crucial conference of the Kenya African National Union. Is that an accurate statement?

MR. MBOYA: That would not be referring to aid to Kenya.

MR. HARSCH: That is not aid, no.
Is that true though?

MR. MBOYA: I don't know.

MR. HARSCH: Is there any evidence of that?

MR. MBOYA: That is a matter of speculation.

MR. HARSCH: May I go back to the aid business? Are you here in Washington to talk about the possibility of obtaining more economic support—economic and financial, for your country?

MR. MBOYA: We are probing, and it includes both discussions with officials, as well as the World Bank and private investment.

MR. HARSCH: Do you get enough capital from London for your capital investment needs?

MR. MBOYA: We don't get enough. We get quite a substantial amount of our capital needs from London, but we could do with a lot more and not only from London but from every country that can afford to give us some aid.

MR. SPIVAK: Mr. Mboya, according to you, our press has misinformed us pretty badly.

I would like to check a couple of other apparently important things.

The Soviet Union, according to our press, has furnished officers, non-commissioned men, and sent tanks and fighter planes to Somalia, and your country and Ethiopia—again according to reports—have established a joint military liaison committee against guerrilla raids from Somalia. Is that true?

MR. MBOYA: We established a joint defense agreement with Ethiopia long before independence. This was mainly because of our joint border protection agreement.

MR. SPIVAK: Is it true that the Soviet has furnished men and munitions to Somalia?

MR. MBOYA: I do not know the extent of the support they are giving, but I understand they have given some military aid to Somalia.

MR. SPIVAK: Is your Mr. Odinga going to start a new party, or has he already started a new party, as has been reported in this country?

MR. MBOYA: He has not yet started a new party, and from the press reports this morning here, once again, in The New York Times, he is meditating for the next thirty days. That is my understanding.

MR. SPIVAK: Has Mr. Odinga been charged with accepting money from Communist sources and using it politically?

MR. MBOYA: "Charged" would be a very strong word.

MR. SPIVAK: Use your own word.

MR. MBOYA: "Charged" in our context would be in a court of law, which has not been done.

MR. SPIVAK: Would your government allow an opposition party to be formed if it were Communist-dominated?

MR. MBOYA: Under our constitution there is entrenched the freedom of association, and that means that any group of people can in fact form another party. Although we have been a one-party state so far, it has been entirely voluntary.

MR. ROWAN: Mr. Mboya, you were quoted from London the other day as saying that it is time there was some action to bring down the Ian Smith regime in Rhodesia. Is this British military action that you are calling for?

MR. MBOYA: Yes.

MR. ROWAN: Do you think that if the Wilson Government gets a bigger majority in Parliament in the upcoming elections they may bring that military action?

MR. MBOYA: I do not know what they will do, but this I do know, that our government, and I believe most African governments, would like to see Britain deal more decisively with the rebellion in Rhodesia, including the use of force.

MR. ROWAN: I take it you think economic sanctions are not working, just as Mr. Smith says they are not?

MR. MBOYA: They are not working, and they have not produced the results, and especially since they are not mandatory.

MR. ROWAN: There has been some talk of the African States joining together to use force. I notice that the Premier of Malawi used some rather colorful language to say that this talk is nonsense. Is this realistic talk on the part of the African States? Will anything come of it?

MR. MBOYA: My position is that this is a responsibility of the British Government, and the British Government must take the necessary action, including the use of force.

MR. HOVEY: Doesn't this inevitably bring up the question of African unity, Mr. Mboya, and the recent deliberations in the Organization of African Unity have seemed to indicate anything but unity within that organization.

Do you think that it is possible to rebuild OAU unity so as to provide—to provide even the maximum pressure on Britain and others to take the kind of action in the southern third of Africa that you would like to see them take.

MR. MBOYA: I think African unity still exists, and I think that Africa can still exert the necessary pressure on Britain.

I don't believe that OAU should be judged by just the incidents at one particular conference. If we were to do so, bodies like the United Nations would have ceased existing long ago.

MR. HOVEY: I know, but I am not referring just to one, Mr. Mboya. I am referring to the response over the unanimous dec-

laration of intent to break with Britain because Britain had not brought down this white rebel regime in Rhodesia by December 15th, and then I am referring too to this recent meeting in which there were walkouts over the question of the new regime in Ghana. This would indicate that not only are there no other issues on which the OAU can unite but that it is even divided on the tactics to be used on the one issue which up to now has provided the cement of unity, namely, the question of the liberation of the southern third of Africa.

MR. MBOYA: Yes, but I don't think there is any conflict or division as regards the need to liberate any part of Africa. There may be a difference in methods and in emphasis, but I don't find this particularly disturbing in the sense of the future unity of Africa. These are some of the issues which I have referred to as part of the crisis of confidence, but they are things that we can get over.

MR. RASH: We have less than two minutes.

MR. HARSCH: At the recent meeting of that Organization of African Unity in Addis-Ababa, the Kenya delegation walked out when the delegation from the new government of Ghana was seated, but when the delegation from the new government of Nigeria was seated, the Kenya delegation did not walk out. Why this distinction? Why do you accept the new government of Nigeria but not the new government in Ghana?

MR. MBOYA: The Kenya delegation did not walk out because the delegation of Ghana sat in the conference. The Kenya delegation was withdrawn because there was mounting confusion in Addis-Ababa, and we felt that the conference should be saved—our OAU should be saved and that the conference, perhaps, should have been adjourned to give people more time to consider the issues.

MR. HARSCH: Do I understand that your government has no objection to the new turn of political events in Ghana?

MR. MBOYA: It is not for us to object to what government people in Ghana have. We recognize the state of Ghana, not the regimes.

MR. SPIVAK: Mr. Mboya, what is the explanation for the increasing number of military take-overs in the newly independent African States?

MR. MBOYA: In very simple words, I would say it is part of this crisis of confidence. It is a question of the expectations on the part of the people, problems of leadership, problems of institutions and some of the initial transitional problems in government.

MR. RASH: I am very sorry to interrupt, but our time is up. Thank you, Mr. Mboya, for being with us today on MEET THE PRESS.

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MEET THE PRESS

America's Press Conference of the Air

Produced by LAWRENCE E. SPIVAK

Guest: GARDNER ACKLEY
Chairman, Council of Economic Advisers

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Panel: EDWIN L. DALE, *The New York Times*
LAWRENCE FERTIG, *New York World Telegram and Sun*
AUSTIN KIJPLINGER, *Changing Times*
SANDER VANOCUR, *NBC News*

Moderator: LAWRENCE E. SPIVAK

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MEET THE PRESS

MR. SPIVAK: Our guest today on MEET THE PRESS is the President's top economic adviser, Gardner Ackley, Chairman of the Council of Economic Advisers.

Now we will have the first question from Sander Vanocur of NBC News.

MR. VANOCUR: Mr. Ackley, two weeks ago the Washington Post conducted a survey of the nation's economists in business, labor and the universities, 32 of them.

Twenty-two of them said they favored an immediate tax increase. Do you, and does the Administration?

MR. ACKLEY: Mr. Vanocur, I saw that survey. The answer to your question is that the Administration does not favor a tax increase now, and neither do I.

MR. VANOCUR: Why is that, sir?

MR. ACKLEY: Because it is not necessary. We are watching the economic situation very closely. The President has repeatedly said that if the economic situation evolves in such a way that a tax increase is appropriate, he won't hesitate to ask for it, but our judgment as of this time is that it is not called for.

MR. VANOCUR: But, sir, to the degree that the economy, its excesses or whatever you want to call them, is dependent upon defense spending—the war in Vietnam—doesn't this make this kind of projection very difficult? For example, who would have said back in 1964, in November, that a year and a half later we would have increased our troop commitment by more than a

quarter of a million men with all the incumbent costs in Vietnam? How can you project with a war like that?

MR. ACKLEY: Indeed, it is very difficult to project under these circumstances, and that is one reason why we have to be very much on watch and ready to move if things change.

Things could change either in the international scene, with the necessity for increased expenditures in Vietnam. They could change in the domestic economy. But we are not going to base our policies on some imaginary possibility. We have to concern ourselves with the way things are and our best judgment as to how they look immediately ahead.

MR. VANOCUR: But being in the position of having to advise the President on what may be, wouldn't you think personally it is desirable to have the stand-by tax authority that has been kicking around in Congress for years—not just to lower, as it was originally projected, but to raise it too? Wouldn't it be wise to have that passed by the Congress so the President could have this mechanism?

MR. ACKLEY: It might be nice for the President to have that authority, but in the first place I don't think Congress is likely to give it to him, and in the second place, I am not at all clear that it is necessary.

Congress has demonstrated several times that it can act quickly on tax matters. The tax bill which was signed ten days ago was passed in a very short period of time—requested at the end of January and signed on March 15. The excise tax reductions last year were completed in six weeks.

Congress can and, I think, would act quickly if the President made a clear recommendation explaining why what he asked for was necessary.

MR. VANOCUR: Mr. Ackley, what is the next signal that you are going to be looking for so that you can make a determination on what the economy is going to look like for the next nine months?

MR. ACKLEY: I don't think there is any single signal that we can use on the basis of which to call our shots. We are going to have to look at what happens to employment, the utilization of capacity, the backlog of orders, the advance of production, the advance of employment, what happens to prices, obviously, what happens to inventories. These are all statistical things. Then in addition we have to keep as best judgment we can of the psychological attitudes which are developing, which are important. I think there is no single index that we can use to decide whether and when additional fiscal restraint might be necessary. That doesn't mean that we can't recognize it if and when that time comes.

MR. DALE: Mr. Ackley, Secretary of the Treasury Fowler has said that he regards last year's rate of price increase of about two percent as tolerable—not desirable, but tolerable.

Do you think that the recent rise in wholesale prices which for four months—November through February—was at an annual rate of six percent, is tolerable?

MR. ACKLEY: No. I don't think that we could maintain a six percent price increase for very long and tolerate it. As a matter of fact, we don't seek, we don't approve, we don't wish for any price increase. We'd like to have stability.

Clearly the rise in the past few months has been sharper than could be tolerated. It has, however, some rather special aspects to it, and I think we want to be very careful that we don't confuse some special circumstances, particularly in agriculture. Most of our price increase in the last few months, in the last year, has been in farm and food prices. That situation is changing, and we are fairly confident that it will change from here on.

Over two-thirds of the price increase in wholesale prices and, I guess, in retail prices, too, in the last year has been in farm and food prices. But beginning about the middle of February and extending to this time, farm prices have stopped rising and indeed have begun to decline. Now that hasn't shown up yet in our price indexes. This coming week we are going to get the consumer price index for February, and that is going to be up, I am sure. And probably in March it will still be up. But we have to look at what is really going on now on the farm, and I think we are going to see a very different picture on farm prices in the months ahead.

MR. DALE: Are you suggesting that we consumers can hope for possibly no further increase in food prices this year?

MR. ACKLEY: That may be a bit optimistic, but certainly the kind of price increase that we have seen in the past 12 months, we definitely do not expect in the next 12.

MR. DALE: In the overall, the Council in the Economic Report suggested that this year we could get by with a price increase no worse than last, which would be broadly two percent overall. Do you still stand by that forecast?

MR. ACKLEY: I think it is too early to tell how we will stand at the end of the year. The fact that we have had as much price increase in the last few months as we have had already is going to make it more difficult to achieve that forecast.

MR. FERTIG: Mr. Ackley, you referred to fiscal restraint, and fiscal restraint has two aspects: Government spending and the other aspect of fiscal restraint.

Now, why don't you discuss, or why don't you advocate cutting spending as well as raising taxes?

MR. ACKLEY: Mr. Fertig, at the moment I am not advocating either, raising taxes or cutting expenditures. But clearly, if additional restrictions were required, if we were clear that it were, we would have to look at both sides of the budget, both the expenditure side and the tax side.

I would like to point out, however, that the expenditure side has been pretty strongly restrained and that it would be quite difficult, without severe sacrifice of important national objectives, to make major further reductions on the side of spending. That is why, I would suppose, if it were determined that additional fiscal restraint were necessary that the primary action probably would be on the side of taxes.

MR. FERTIG: Isn't our spending this year for non-defense higher than last year, and isn't it considerably higher than two years ago, and do you not project even higher non-defense spending next year? So why not cut spending instead of raising taxes?

MR. ACKLEY: The non-defense portion of the budget actually, of course, has been kept under extremely tight control and the fiscal '67 budget shows an increase, other than for Vietnam, of only \$600,000,000, and the history of the civilian part of the budget, except for a few very uncontrollable items such as interest and veterans' payments, and so forth, has been indeed held very tightly.

I think some numbers here might be relevant and interesting. The budget, the Administrative budget in fiscal year 1965 represented 14.9 percent of our gross national product. If you exclude the additional Vietnam expenditures, that goes to 14.5 percent in fiscal 1966, and 13.7 percent in fiscal 1967, a declining portion. Even if you include the total Vietnam expenditures, it goes from 14.9 percent of the GNP in fiscal year 1965, to 15.2 percent in both 1966 and 1967. I would point out that that is lower than in almost any other post-war year.

MR. FERTIG: We are spending more dollars, aren't we?

MR. ACKLEY: We are spending more dollars, but we have a very much larger economy.

MR. FERTIG: May I ask one other question, Mr. Ackley? Price pressures are very great today—as you would acknowledge over the last few months they have been. The rate of increase in the wholesale price index is very steep, and so is the consumer price index.

If Mr. McChesney Martin in the Federal Reserve had not restricted the money supply a little as it has done, if it hadn't raised interest rates, wouldn't that price pressure be even greater

today, and are you against using monetary policy that way?

MR. ACKLEY: In the first place, I would certainly say that the restrictive measures that have been taken by the Federal Reserve have contributed in moderating demand, and therefore pressures on prices.

The change in the budget in the new tax law, which goes into effect very shortly, is an additional restraint. Together, they accomplish a very considerable shift in the restraint from stimulus previously to restraint today.

I have no objection of any kind to using monetary policy as part of the total economic stabilization arsenal. Our only objection on the December action of the Federal Reserve System had to do with the fact that we would have preferred to have had that decision delayed until January, until we knew and they knew what the budget was going to be for the coming year, till we could have decided together what combination of fiscal and monetary restraints was appropriate. That is the extent and nature of our objection to the action that was taken last December.

I think that in fact the coordination which had previously existed between our monetary and our fiscal policies will again and-is being re-established, and I trust that instances of our disagreement over procedures will in the future be less important.

MR. KIPLINGER: Dr. Ackley, you have indicated in some of your earlier responses that the government, the Administration, was still standing by its earlier estimates as to the size of the economy and the rate of price increase, something less than three percent in prices and \$722 billion of GNP.

Yet a great many of your economists and a great many people inside and outside government have already upped their estimates on the size of the GNP and on the rate of price increases. Isn't it about time the government dropped this pose of wishful thinking and adjust some of these sights up a little?

MR. ACKLEY: I didn't indicate I think on this program that I was still standing by the \$722 billion GNP forecast that we made in January. We are in the process, as we always do once a quarter, of reviewing our forecast and will undoubtedly have another one.

As you may recall, the Government Council's official government forecast is not made public more than once a year. We have one for our own internal purposes.

I think that probably most of the news, most of the additional information that we had since last—late December and early January is in the direction of pushing that forecast up. Certainly not as much as some recent forecasts I have seen, but I would agree that that is the direction of any revision we might wish to make.

MR. KIPLINGER: If that is the case, then doesn't this almost automatically suggest that the price rise will be greater than the previous indication and that it might be in the neighborhood of three or three and a half percent for the year?

MR. ACKLEY: I am not prepared at this time to make an estimate of what the price increase might be this year. As I indicated earlier, I think there are some factors working on our side from here on out.

MR. KIPLINGER: I might follow with just this one question: You have had a lot of practical experience as a price controller in OPA days, during World War II, and OPS, during the Korean War. If the price level were to rise as much as 3.5 or 4 percent this year at the consumer level, would this in your view suggest that we ought to have some rigid form of price controls comparable to those we have had in previous war-time periods?

MR. ACKLEY: On the contrary. It seems to me that it would be quite unnecessary, inappropriate, under the kind of circumstances that we foresee today, to be thinking or talking of any kind of legislative, statutory, wage and price controls.

I think it would be a matter of pretty poor management if under the kind of economic situation we face we stumbled into that.

MR. SPIVAK: May I ask you a question, Mr. Ackley?

In January of this year you estimated that the Gross National Product for 1966 would be about \$722 billion. On March 23, Arthur Ross, Labor Statistic Commissioner, estimated that the government economists now expect the Gross National Product will total \$735 billion. Do you agree with the \$735 billion figure, or do you think that is too high?

MR. ACKLEY: That was Mr. Ross' own figure. It was not a figure of government economists, at least in the sense that the Council of Economic Advisors was involved.

I think 735 is too high. Our forecast, of course, was \$722 billion plus or minus five, so I suppose we would be within our forecast if we came up with 727. Whether we need to widen the range on the high side is something we are still considering.

Mr. SPIVAK: Do you think it is more likely to be 727 than 735?

MR. ACKLEY: I wouldn't want to comment on that.

MR. VANOCUR: Mr. Ackley, we seem to have come to this in this half hour, that you say that the Administration does not yet think anyone can say with finality that a tax increase is needed. Yet liberal economists and many conservative economists and bankers say that there is the need for a tax increase now.

Since capital investment is a great factor in the kind of overheating of an economy that people are worried about, why couldn't the Administration repeal temporarily the 7 per cent investment tax credit, to be put back at such time as it is needed? This wouldn't take Congress very long. Why not err on the safe side in a matter like this?

MR. ACKLEY: I think a case can be made that the investment tax credit is not serving a useful function at this time. It is true that the heaviest economic pressure right now is in the area of capital goods, and the severest pressure on labor markets is in those parts of the country where capital goods are manufactured, durable goods, generally. On the other hand, I think there are a lot of difficulties with turning that particular weapon on and off. Businessmen have been counting on it. They have felt it was an appropriate structural reform of our tax system.

There are, as I say, administrative difficulties of turning it on and off, and I think we are not ready to reach a judgment that that is an appropriate tool.

MR. DALE: Mr. Ackley, the White House said that it prefers—the Administration prefers—to work quietly in private in trying to get business to comply with the price guideposts, in holding down prices. Can you give us an indication of how many contacts with business there are? How many a week for example?

MR. ACKLEY: I don't think I could make an estimate of that. We are constantly in touch with businessmen, the people in the Department of Commerce are. The President sees many businessmen. We talk about various things, including prices, price problems, price prospects. Where there does seem to be a prospect, possibility of price increases in the future, we try to talk about the nature of the problem and persuade the people involved to consider the national interest in price stability.

MR. DALE: Can you give us an idea of the results of these conversations? Prices do seem to be going up after all. How many times has the [administration] succeeded in, shall we say, heading off a price increase through this process of friendly conversation and persuasion? Not an absolute number, but can you give us some sense of it?

MR. ACKLEY: I think it is very difficult to quantify that. We hope that a lot of our persuasion is effective—and I think it is. Even where prices are increased, it may very well be that because we have discussed the problem increases are smaller or less inclusive or accompanied by price reductions. I think it is not possible to—

MR. FERTIG: Mr. Ackley, Mr. Dale has referred to friendly

discussions and persuasion on the so-called voluntary controls. We have a vast complex of voluntary controls, on prices, wages, investment abroad, loans abroad. My question is this: If our monetary policy was right, why should we need all these controls?

MR. ACKLEY: On the domestic side I am sure that we could achieve approximate stability of our general price level with no other effort, by keeping our unemployment rate perhaps about five percent and our utilization of industrial capacity down back around 85 percent.

We are not satisfied with operating our economy at half speed. There is a problem that when the economy is running full and making adequate use of its resources, manpower and physical resources, there has been in the past some tendency for wages to creep up faster than productivity increases and for prices to rise.

MR. FERTIG: Are you saying, Mr. Ackley, that it is essential to have monetary inflation and price rises in order to have a prosperous economy with low unemployment? That hasn't happened in Germany, for instance. Why should it happen here?

MR. ACKLEY: On the contrary, I am saying that our job is to try to achieve simultaneously both things, full employment of our resources with price stability. We are not willing to rely on a single tool for that purpose. We have a third objective, balance of payments equilibrium, and that too we want to achieve, but we are not going to do it just by depressing the domestic economy.

MR. KIPLINGER: Dr. Ackley, you seem to suggest there are some depressing factors that have not yet taken effect in the economy this year. If the recent rapid rise or heating up of the economy is not to continue through the remainder of this year, then there must be some other limiting factors that are not yet perceptible.

What do you foresee as some of these danger spots or possibly weak spots in the economy?

MR. ACKLEY: I don't think we are in danger of recession or slide-off in our rate of economic expansion, but I think we have to remember, we did have a major change in monetary policy in December which has been working its way through the economy and, really, is just now taking firm hold. It is beginning to bite. It is beginning to bite on capital spending and on a lot of areas.

We have a new tax bill which, although it is not a major tax bill, is not yet even in effect. I referred, in the case of farm prices, to the fact that the outlook there was different than it had been. This hasn't anything to do, basically, with policy actions.

It has to do with the fact that we had a very short pig crop last year, and this influenced the whole range of protein prices in the agricultural economy. That situation is turning around.

MR. SPIVAK: Mr. Ackley, at this point in our economy, would you say the chances are greater that we will have a tax increase, or the chances are greater that we won't?

MR. ACKLEY: I would not like to make a guess on that, Mr. Spivak.

MR. SPIVAK: Does the election have anything to do with your sense of timing on that, as some cynical politicians believe?

MR. ACKLEY: I am no expert on politics. My business is economics, but I have the feeling that the best politics is good economics. I think there is nothing that people dislike more than inflation and that sound fiscal and monetary policies are the best politics for anyone.

MR. SPIVAK: Gentlemen, we have about two minutes.

MR. VANOCUR: Mr. Ackley, if you are going to ask labor, as you have asked labor in the past, for restraint, would not it be a *quid pro quo* to ask for the temporary repeal of the 7 percent investment tax credit? Wouldn't this help you with the labor leaders, who are quite rebellious, as you know from your experience in New Jersey and other places?

MR. ACKLEY: I think the *quid pro quo* for the restraint that we ask of labor is the restraint that we ask from business on prices, and just as labor feels that we have picked on them and done nothing about prices, businessmen, many of them, feel that we have picked on business to knock down prices and done nothing about labor.

I think we have and are trying to administer a balanced program in which we are asking everyone to be responsible.

MR. DALE: In that connection, the Council has always directed the guideposts of what you call monopolistic situations. Generally they are relatively concentrated, big industries, but isn't it true the great bulk of the price increases have come in sectors such as food where the guideposts hardly even apply?

MR. ACKLEY: I think that is right. The big price increases have been in food, farm products and a few internationally traded raw materials.

MR. SPIVAK: Mr. Ackley, we are coming rapidly to the end of our time. I think maybe on that note we should end. I am sorry to interrupt, but our time is up.

Thank you, Mr. Ackley, for being with us today on MEET THE PRESS.

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Guest: INDIRA GANDHI
The Prime Minister of India

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Panel: ERIC BRITTER, *London Times*
PAULINE FREDERICK, *NBC News*
SELIG HARRISON, *Washington Post*
PHILIP POTTER, *Baltimore Sun*

Moderator: LAWRENCE E. SPIVAK

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MEET THE PRESS

MR. SPIVAK: Our guest today on MEET THE PRESS is the new Prime Minister of India, Indira Gandhi. She is on her first official visit to this country since taking office.

Mrs. Gandhi was the official hostess and close confidante of her father, Prime Minister Nehru, during the seventeen years he served as India's leader. Today she is considered to be the world's most powerful woman.

We will have the first question now from Pauline Frederick of NBC News.

MISS FREDERICK: Prime Minister Gandhi, on starting your trip to the West you said that you hoped to get India's point of view better understood and you hoped also to learn something from the countries and great leaders you would meet.

To what extent have you achieved these goals in the United States?

MRS. GANDHI: I found an understanding even before I got here. In my talks with President Johnson, he showed great understanding and knowledge of the problems which existed in India, and I think I was able to fill in the details.

The only other leader I have met so far is President de Gaulle. The talks with both of these great leaders were very useful and, I think, did serve the purpose which I had in mind.

MISS FREDERICK: On March the third you were reported to have said in the Parliament in Delhi that you were deeply distressed at the exaggerated picture of starving India being portrayed to the world. Would you tell us if you still feel that way and, if so, how you could put the picture of India's hunger need in perspective?

MRS. GANDHI: All pictures or words are relative. India has

known famine and starvation for many years. But today when we talk of famine it is not in the sense in which we knew these words before independence. There is an acute shortage of food in our country in specific scarcity areas. There are no people dying of starvation. With the friendly help which we are getting, the import of food grains, we hope to avert famine, but it is a danger if we don't get the help. And there is also the danger not perhaps of actual famine but of malnutrition which can be also critical to our nation's progress.

MISS FREDERICK: President Johnson has spoken to Dutch Foreign Minister Luns about the possibility of calling an international conference to develop and coordinate greater famine relief for India. Did the President talk with you about such a conference, and if so, are there plans for it?

MRS. GANDHI: No, he did not mention this to me though he did mention that he would like other countries to help in this matter.

MISS FREDERICK: Prime Minister Gandhi, can India's food problem be handled effectively without sharp control of the population?

MRS. GANDHI: Well, we are doing—we have plans for the control of the population, but naturally this is something which will take a little time.

MISS FREDERICK: You have said that India is evolving purposeful and meaningful national consensus based upon principles of secularism and democratic socialism. Have you found any hesitancy about extending help to India, either in contributions or through private investment, in view of India's determination to become a democratic socialist state?

MRS. GANDHI: I don't think the hesitations are because of the word "socialism." The hesitations are because private enterprise feels that perhaps the conditions for investment are not as they would like them to be. But I think this is due to a misconception. We are encouraging private investment and trying to create very suitable conditions for it.

MISS FREDERICK: To what extent would private investment be free to carry out its programs in India?

MRS. GANDHI: It is free to a large extent. We allow them all the facilities which they need, practically. Naturally, this has to be conditioned by national interest.

MR. POTTER: Mrs. Gandhi, it has been suggested that the Congress Party bosses in India selected you because you are your father's daughter and you bear the name "Gandhi," which was made famous by Mahatma Gandhi, in order to win the elections coming up early next year. Do you have any plans for early retirement thereafter?

MRS. GANDHI: I have no plans at the moment except to get on with the job.

MR. POTTER: I am not going to ask you how India takes to

petticoat rule, but aren't you rather young by Indian standards to be running that great country?

MRS. GANDHI: Youth is a matter of which side you look at it from. I mean if you ask a twenty-year-old, forty-seven, forty-eight seems quite old. Of course, if you ask someone who is eighty years old, he will think it is young.

I think in experience I am quite old by now.

MR. POTTER: It has been reported that Krishna Menon, who used to see a good deal of your father, now walks in your garden but doesn't get inside to talk to you. Would you tell us the state of your relations with Mr. Menon?

MRS. GANDHI: They are exactly as they were before, which is cordial. I don't know how often he has walked in the garden without seeing me. I think I have met him a couple of times since I have become Prime Minister.

MR. POTTER: He is a member of Parliament. Did he support your candidacy for the Prime Ministership?

MRS. GANDHI: He did at the end, yes.

MR. BRITTER: Mrs. Gandhi, I think you said in Washington that you had some understanding of the American aims in Viet Nam. Would you go a little further and tell us if you think that India, itself, also has something at stake in the war in Viet Nam in terms of the freedom of democratic countries?

MRS. GANDHI: I don't think that I said exactly that, Mr. Britter. What I had said was that the Americans are in a difficult situation, and I can understand their difficulties, now. I have expressed my views on Viet Nam many times, and I believe that the best way of guarding the freedom of that area is by the countries being strengthened economically and socially and enabling them to progress, so that the people have a greater sense of security within their countries.

MR. BRITTER: You speak of being strengthened economically and socially. What about being strengthened militarily? If I may put it in rather alarmist terms, can you see a set of circumstances in which India might have to make common cause with, say, Russia and the United States, to defend itself against an aggressive China, which is seeking to overrun not only India but the other countries of South Asia?

MRS. GANDHI: At the moment that is a very hypothetical question. I don't think that either Russia or China will want to rush into a war for sometime.

MR. BRITTER: China has already attacked India and may do so again?

MRS. GANDHI: That is so, and she still continues to adopt a most menacing attitude on our northern frontier. Also in her protest notes, she is quite threatening. But it is difficult to say whether she will actually launch a large-scale attack.

MR. BRITTER: Now, China has the bomb. India has the capacity to make the bomb. Can you foresee a set of circumstances

in which you would have to be obliged to defend yourself by taking to nuclear armaments?

MRS. GANDHI: It will take a long time for China to have enough bombs, I think, to make a difference. And the position is the same with India. We may have the capacity, but the financial burden of it is a very large one, and from the very practical point of view, I don't really see what good it will do us.

MR. HARRISON: Prime Minister Gandhi, something that is not hypothetical in the form of a Chinese problem in your area is that Pakistan has recently acquired military aid from Communist China in what appear to be rather substantial quantities. We are told that there may be two squadrons of airplanes and fifty to one hundred tanks.

Do you think that you are in danger of having a Chinese satellite at your doorstep?

MRS. GANDHI: It is true that we are rather alarmed at the fact that Pakistan does seem to be coming closer to China and is taking arms aid from China. It is a threat to India. Perhaps you will remember that we were against military aid to Pakistan earlier, also, because we feared just this, that such aid might be used against India.

MR. HARRISON: However, now it is said in the United States that if we don't continue to give Pakistan at least some military aid, Pakistan will be compelled to go to China for an expanded military aid program.

What would you like to see the United States do to offset this?

MRS. GANDHI: The more aid Pakistan gets, the greater the danger of her getting involved in a war with us, and I don't think that such a war can do good to either Pakistan or India or contribute to peace and stability in that area.

MR. HARRISON: Then, you would just like the United States to continue withholding military aid to Pakistan, as it has since the suspension of military aid during the war?

MRS. GANDHI: I think that may be better, yes.

MR. SPIVAK: Prime Minister Gandhi, may I ask you a question: There has been increasing debate in this country about how best to deal with Communists and China and their aggression.

From India's experience, would you say that Chinese aggression can effectively be handled by the hand of friendship and by recognition?

MRS. GANDHI: Recognition perhaps may—I don't know if it will help, but, anyway, it may bring China more within—in a situation where it is easier to talk to her. China, as I have mentioned—I don't think she is going to get herself involved in a war, straight off. I think her major interest is to try to get as many other countries involved as can happen, so that she has time in the meanwhile to strengthen herself from the inside.

MR. SPIVAK: You have recognized Communist China, I be-

lieve, for some time, and you have talked with her and you have dealt with her. What good has it done you?

MRS. GANDHI: Not much, I am sorry to say.

MISS FREDERICK: Madame Prime Minister, you said a moment ago as I understood it, the more Chinese aid to Pakistan, the greater the danger of war with India.

Isn't the real possibility of war with India—doesn't it come from the Kashmir dispute, and wouldn't settlement of the Kashmir dispute help to eliminate that cause of war regardless of what arms Pakistan has?

MRS. GANDHI: Kashmir we think is a symptom rather than the cause of the disease. As far as arms go, obviously if Pakistan doesn't have the arms, she can't launch into a military venture. It is only if she has the capacity to fight that she can think of such a thing.

MISS FREDERICK: But do you see any possibility of working out a settlement on Kashmir with Pakistan?

MRS. GANDHI: We have always felt that the first step to take is more friendly relations, more economic cooperation, cultural, social and so on, and it is only when you have this basis of friendship and understanding that you can deal with as complicated a question as Kashmir.

MISS FREDERICK: What about carrying out the Security Council's recommendation for a plebiscite in the area?

MRS. GANDHI: If you go back to that resolution, you will find that the first part of it was observance of the cease-fire, withdrawal of Pakistani troops, and only after that, was there the plebiscite, and the first two have not yet been observed yet by Pakistan.

MISS FREDERICK: Does this mean then that India refuses to recognize the Security Council's resolution because one of the parties hasn't lived up to the provisions of it?

MRS. GANDHI: No, it is not that we don't recognize it, but you can't take the third step before you have taken the first two.

MISS FREDERICK: Are any serious efforts being made to take the first two steps?

MRS. GANDHI: That is for the Security Council to do.

MR. POTTER: Madame Gandhi, you have been sympathetic about our dilemma in Viet Nam while questioning our original involvement, there. Do you see any prospect of an alliance among Asian nations, perhaps, including Japan, that could contain Chinese expansionism without our help?

MRS. GANDHI: I don't really think that such a thing is possible just now. The Chinese desire is to spread her influence, and she can do this not merely by a military adventure but by many other means, as she has been trying in the past. I think the best way for that is to encourage the nationalist movements in all the countries around China.

MR. POTTER: We note in this morning's paper that the Mos-

cow regime is relaxing its destalinization. Do you think that perhaps enhances the prospect of a heal in the rift between Russia and Red China?

MRS. GANDHI: Not at this moment, no.

MR. POTTER: Do you anticipate they might come together again at some future time?

MRS. GANDHI: Not in the near future.

MR. BRITTER: Mrs. Gandhi, would you agree that your present visit to the United States and the help you are getting from Washington does amount in effect to a turning point in your country's history, because what it means is that the United States is now committed to helping you to tackle these problems, which would otherwise be insurmountable, and that therefore the United States has really committed itself to helping India to achieve its destiny? If that is so, what would be your reaction, your response to such an interpretation?

MRS. GANDHI: I think that all the countries which have resources should help those which don't have, because only that way can you make the world a better place for everybody to live in.

MR. BRITTER: But isn't this a very remarkable gesture which Mr. Johnson has made to your country? Very generous, I mean to say?

MRS. GANDHI: It is indeed. It is generous, it is bold, and I think it is in the right direction.

MR. BRITTER: Do you think India will be able to respond by, say, being less non-aligned than it has been in the past? More friendly with the United States?

MRS. GANDHI: I think we have been very friendly with the United States, and I don't think it would help the United States if we were regarded, say, as a satellite or as a follower. I think we would be much more helpful to the United States if we remain—not only remain but are known as independent-thinking.

MR. HARRISON: Does that concern, to have it appear that you are independent, extend to our economic aid relations and the flow of American private capital to India? You said earlier that you welcomed private capital but it had to be consistent with the national interest. Right now one of our big oil companies is negotiating for a fertilizer plant in India. You need fertilizer, and yet the President of your party, Mr. Kamaraj, has said that this deal would be atrocious and unacceptable. Do you agree with him?

MRS. GANDHI: Not entirely. We have accepted this fertilizer agreement, because we consider that it is necessary for our country to have fertilizer in as large a quantity and as soon as possible.

MR. HARRISON: Why do you think there is so much suspicion

in a country such as India, of American private or other foreign private capital?

MRS. GANDHI: You know our history, Mr. Harrison, and I think you can well imagine that a country which has been exploited economically from outside will always be very wary of any such thing happening again.

MR. HARRISON: Just how much scope is there, then, for the influx of massive foreign private capital as a contribution to India's development?

MRS. GANDHI: There is plenty of scope within that.

MR. SPIVAK: Prime Minister Gandhi, are there any steps which you think the United States can take unilaterally towards a peace in Viet Nam?

MRS. GANDHI: We appreciated President Johnson's stoppage of the bombing, and I think that could have led to the next step, and we were very distressed and concerned that it did not. I can only say that perhaps if it had been extended, some new possibility might have arisen.

MR. SPIVAK: Would you be in favor of another stoppage?

MRS. GANDHI: I would, yes.

MISS FREDERICK: Madame Prime Minister, you have said that one way to try to contain the spread of Chinese expansionism is to have independent, economically and politically independent states in Asia. Would you include North Viet Nam in that group?

MRS. GANDHI: I would, yes.

MISS FREDERICK: Do you think the bombing of North Viet Nam is helping to undermine the stability of North Viet Nam so that it might not be able to be that barrier to Chinese expansionism?

MRS. GANDHI: I don't know about affecting the stability, but certainly it may create greater friendship for China. I don't think that the people of North Vietnam are basically friendly to the Chinese because they have suffered in that area in the past. But naturally if things happen which make them less friendly to the United States or the other countries, then there is that much more danger of Chinese influence.

MR. BRITTER: Mrs. Gandhi, I think during the recent riots in India you and some of your government officials said that they were inspired—the ones in West Bengal and the ones in the southern state of Kerala—by Communist Chinese influence. Does that mean that you believe there is a sizeable fifth column of Chinese-inclined Communists in your country, and is Peking more likely to succeed by subversion than by outright attack?

MRS. GANDHI: No, Mr. Britter, I don't think this had anything to do with China. It did have to do with our Indian Communist Party. This, as you know, is pre-election year in India, and in such a year there is a tendency of opposition parties to

try and exploit any issue. And the shortage of food is an issue which is exploitable at any time.

MR. BRITTER: In other words, there is no large fifth column of communist Peking—

MRS. GANDHI: I wouldn't call it a fifth column. There are pockets where we have Communists. There is a district in Bengal; there is Kerala. They are not large areas, but there are areas where they have influence and where they can arrange these big demonstrations.

MR. HARRISON: Prime Minister Gandhi, when you arrived at the White House, you said in your prepared statement that you felt that India and the United States should not take each other for granted and let their relations drift. What did you mean by that? In what way have our relations been drifting and what are some of the misunderstandings that you must have had in your mind when you said that?

MRS. GANDHI: I was thinking more of the future than of the past, Mr. Harrison.

MR. HARRISON: Looking back to the past, did the war produce very deep problems between India and the United States in terms of our involvement with Pakistan?

MRS. GANDHI: In the public mind there was a certain amount of disturbance because of American arms, but I don't think that friendship with America suffered.

MR. POTTER: Madam Gandhi, you said in your National Press Club speech the other day that you would like to see a modest increase in aid-India consortium aid to India, including that from our own country. Would you be willing to have the World Bank, which sort of sponsors this program, make a ceiling on arms expenditures by India and Pakistan a condition for further extension of aid to both countries?

MRS. GANDHI: I am not happy about any conditions.

MR. POTTER: You used to be noted for nonviolence, and yet you have had numerous recent riots in which there has been a good deal of violence. Have you exported all of your nonviolence to our civil rights workers, here?

MRS. GANDHI: I hope not. We have—a certain amount of violence that is always present in all countries, and whatever high ideals or principles we might have, unfortunately, man cannot always live up to them.

MR. SPIVAK: Prime Minister Gandhi, India is for the admission of Communist China to the United Nations. What is your position on what to do about Taiwan, if Communist China is admitted?

MRS. GANDHI: Our position has been that there should be only one China.

MR. SPIVAK: That means that you would put Taiwan out of the United Nations?

MRS. GANDHI: This will have to be worked out.

MISS FREDERICK: Mrs. Gandhi, what do you believe are the chances of Communist China coming into the war in Viet Nam? Under what conditions would this come about?

MRS. GANDHI: I don't think that China will come in, unless something very drastic happens. She may, of course, want to involve perhaps the Soviet Union more deeply into the fighting.

MR. SPIVAK: We have about a minute. Mr. Britter.

MR. BRITTER: Mrs. Gandhi, do you feel that the signing of this Tashkent Declaration is a turning point too because Russia is now directly concerned with preserving peace between India and Pakistan and is taking a positive role in the affairs of your subcontinent?

MRS. GANDHI: The Tashkent agreement is like the opening of a door, an opening of new opportunities for India and Pakistan to get together, and perhaps having the Soviet Union also involved may help, but this depends very much on the attitudes of the two countries. India on her part will do everything possible to implement the declaration.

MR. POTTER: Mrs. Gandhi, the spirit of Tashkent seems to be evaporating, if you can judge by the statements coming out of Pakistan and India. Do you have any plans to revive it by perhaps visiting with President Ayub?

MRS. GANDHI: I would certainly like to meet President Ayub. I don't think it is evaporating as far as we are concerned. We have not made any such statements, but it is true that statements have been made in Pakistan. This may be due to the visit of the Chinese leaders, there.

MR. SPIVAK: I am sorry to interrupt, but our time is up. Thank you Prime Minister Gandhi, for being with us today on MEET THE PRESS.

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