

DEBATE

72



For the Democrats

# HUBERT HUMPHREY

*Humphrey's familiarity with taxation and government stems from his experience as mayor of Minneapolis, nearly 18 years as a U.S. senator and as Vice-President.*

When a post-Nixon administration takes office in January 1973, it will discover that not a single new or visionary federal program has been developed through executive branch leadership since 1968. Under the Republican administration, we have now been living through nearly four years of bankruptcy of vision and ideas about political issues and domestic programs. At no time since the late 1920s has our nation been so devoid of national leadership on domestic policies and platforms.

Justice Holmes once remarked that "We must sail sometimes with the wind, sometimes against it; but we must sail and not drift or lie at anchor." It is this lesson which the administration has ignored. Other than their plans for welfare reform and revenue-sharing, proposals initially put forth by Democrats a decade earlier, can anyone recall any innovative domestic programs put forth by the Nixon Republicans?

Our American author Thomas Wolfe said that we can't look back to the outmoded ideas and systems of yesterday if we are to be in league with the future. Our world must be that of 1972, 1980 and beyond, the world growing smaller and smaller through increasing technological and social change. For a more human and, indeed, a more humane future we need, above all, new horizons, a more unique sense of vision about where America should be heading and in what manner.

Since 1945 the United States has experienced enormous economic growth whose magnitude is seen by the fact that the Gross National Product grew more between 1945 and 1971 than it did in the years between 1789 and 1945! The outcome of this growth has clearly been an improvement in the welfare of the majority of the American people.

But this has been an uneven growth, a growth grounded in economic, not in human and environmental, priorities, unplanned, now out of joint, and with its benefits spread in a grossly uneven and unjust manner. It has left us with greater and greater public benefits for the well-off, disproportionate tax burdens for middle-income families, enormous public poverty and vast unmet social services, transportation, housing and educational needs.

I, for one, think these trends can be stopped or at least slowed down and possibly reversed, provided we have a realistic vision of the future and a practical blueprint for liberal progress. This means we must avoid the chimera of abstract liberal perfectionism. Nor should we resort to sloganeering—"send them a message"—or flout the good

sense of Adlai Stevenson who held that "Who leads us is less important than what leads us." To move beyond the past I believe we must grasp one central idea: the land as space to live on is taking priority over the old idea of the land as something to be exploited, no matter what the consequences. By using this principle as a touchstone for establishing a national policy of growth and development, I believe that we can create a new and a practical vision for America's future, yet not lose sight of the reality that we must and can solve the problems of the present.

## No-growth is not a choice for America

The basis of our vision should be targeting a rural-urban balance, a healthy balance between the people and the land. This means focusing on orderly growth—designing this for people rather than for expediency—and slowing down the forces underlying our population "implosion"—forces which have pressed one-third of our people to live in the six states of New York, California, Illinois, Pennsylvania, Ohio and Texas.

With strong national policies and leadership we could improve all rural areas rather than see another million American farms disappear by 1980. Then we could spread out our population, build new cities on existing small towns, build whole new cities, re-create the old cities which are now in a desperate crisis, and provide adequate public services with our tax dollars. It is vital for our future, I believe, that we treat our population problems—and they are real—as a challenge to population planning and dispersal, not as a clarion to promote abortion-on-demand or other anti-life philosophies.

At the present time, apart from Title IX of the Agricultural Act of 1970 and Title VII of the Housing and Urban Development Act of that year, there has been scant legislation which mentions the nation's need to create national growth policies, and after setting up a commission on national goals, the Nixon administration quietly buried its report which dealt with new growth and development.

As new policies are established we should seek to improve our tax and financing strategies to pay for orderly

growth. I have therefore proposed the creation of a national domestic development bank which would do for America what the World Bank does for others.

We are, then, being forced to reexamine where we are heading so that our national wealth can be fairly distributed and our civic well-being improved. Clearly, we cannot quest after a mythical regreening of America where we return to a Bronze Age community.

For several reasons, no-growth is hardly a viable option for the American economy. While we don't have to worship the great god Growth, continuing economic growth is, in fact, absolutely essential. How else can we provide an economic and social base under the living standards of all Americans and respond without a muffled conscience to world poverty and injustice?

Economic growth in a technological society, moreover, depends critically on advances in education, experience and managerial and production techniques. Unless we are willing to stifle all education and the pursuit of knowledge, we cannot curb growth, although, of course, we can reorder this through better planning. And we must remember that just stopping growth would not cause a change in the habits of men who pollute.

Man's knowledge about natural resources is really quite limited. When I first came to Congress in the postwar period, national commissions assured us we were exhausting the earth's mineral supplies and its agricultural potential. During the intervening years old resources were upgraded and substitutes or new resources were uncovered. The pessimists' alarms were not unfounded; their information was simply inadequate and they could not see into the future. At the present time Resources for the Future, Inc. has observed that our economy "is winning its independence from the traditional natural resources sector to a remarkable degree. Ultimately, the raw material inputs to industrial productions may be only mass and energy."

I don't deny that genuine shortages now threaten for many substances that are considered essential for current industrial society. But this is a long way from doomsday, and with cheap power and recycling of wastes on the horizon, perhaps even our natural resources will someday be reconstituted.

## The poor should pay no federal taxes

Yet as we look to 1980 and beyond we must equally cope with existing realities and not just presume that new faces, illusionary ideas or elusive proposals can substitute for hard policies and programs or that the American public will be deceived either by liberal utopianism or by conservative sloganeering. Our people want positive and decisive action on the serious questions we now face: revenue-sharing, welfare reform and taxes.

This means that we must pursue:

- Revenue-sharing with reform, since state and city gov-

ernments face both a fiscal and an organizational crisis at the same time. Federal money returned to states and localities should not be permitted to do harm by giving inefficient governmental structures and policies a new lease on life. Let us link revenue-sharing to modernization of state and local government and find ways to combine regional government with local power and community control. People want "street-level" government which is responsive to their daily needs, not some remote bureaucracy ruling from on high.

- A gradual federal take-over of welfare to ease the fiscal burden of states and localities. The federal government now pays about \$7 billion of an estimated \$14 billion annual welfare cost. Astronomical increases are in sight. A federal take-over of financing welfare could provide a better welfare system, reduce the interstate welfare competition which now plagues states, and channel the "local share" to states and communities with the greatest welfare cost.

- Let us also have tax reform which eliminates the poor from federal tax liability. During the debate on the Revenue Act of 1971, I offered such an amendment, which was adopted by the Senate, but fought by the Nixon administration in conference committee as being "too costly." As I said during the debate in November: "The Treasury loses this revenue. There is no getting around it. But it loses it from those who can least afford to pay, and may I say from those whom society can least afford to tax." This principle is central to tax reform.

We also need to reduce the payroll tax burden on working and middle-income families by establishing one-third general revenue financing of social security and railroad retirement benefits and by replacing the property tax with an alternative method of financing school costs.

The property tax burdens the elderly living on fixed incomes and the poor; produces decreasing revenue for public services in cities and discourages rehabilitation and improvements in housing. An alternative revenue system with the federal government as a chief money supplier would require changes in the states as to the uniformity and equitability of property taxes but maintain local control over fundamental school decision-making.

In short, a reformed taxing system should include closing the door on the loopholes of special privilege for the wealthy and the giant corporations, promoting inventiveness and imagination among all our people by making certain that the tax system does not penalize some for the advantage of others and ending the fast write-offs, tax dodges and tax shelters which make our tax system unfair.

A creative response to both future and existing needs does not require a frenetic pursuit of change for its own sake but a positive vision and hard work. Our goal must be orderly, balanced national growth, the end of segregation by race, age and income—to bring Americans closer to each other, and a family policy which preserves individual freedom while also sustaining population growth adequate to enriching the values and goals of our heritage.

This is not a vision for an easy America. Nor do I think we will arrive at a once and future America. But it is a vision for a better future tempered by compassionate concern for the traumas of the present.



# Minnesota Historical Society

Copyright in this digital version belongs to the Minnesota Historical Society and its content may not be copied without the copyright holder's express written permission. Users may print, download, link to, or email content, however, for individual use.

To request permission for commercial or educational use, please contact the Minnesota Historical Society.



[www.mnhs.org](http://www.mnhs.org)