Weitern Trie-county community Action Council.

OUTLINE OF REMARKS FOR MONTEVIDEO

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SENATOR HUBERT H. HUMPHREY

Board & Derector 15 members

JUNE 17, 1974

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Since many of you have been quite active in various aspects of the "Poverty Program," I thought you would be interested in a brief update on what is happening to the legislation authorizing the "Poverty Program."

Fortunately I can bring you some pretty good news. Not as good as I would like, but better then I expected a few months ago. On May 29, the House passed by an overwhelming vote of 331 to 53 the "Community Service Act of 1974." The bill would extend the Community Action programs for three years and place the program in a new Community Action Administration in the Department of Health, Education, and Welfare. IT AUTHORIZES \$1 BILLION FOR THE THREE YEAR PROGRAM. THIS BILL ALSO EXTENDS THE HEADSTART PROGRAM, THE FOLLOW THROUGH PROGRAM, THE SENIOR OPPORTUNITIES AND SERVICES PROGRAM, THE RURAL HOUSING AND RURAL LOANS PROGRAMS, AND A WIDE RANGE OF ADDITIONAL "POVERTY PROGRAMS."

While I would have preferred to have seen THE OFFICE OF ECONOMIC OPPORTUNITY CONTINUED AND ITS PROGRAMS EXPANDED, FRANKLY THIS JUST WAS NOT IN THE CARDS IN FACT, THE THREAT OF A VETO STILL HANGS OVER THE HOUSE PASSED BILL, ALTHOUGH THE OVERWHELMING VOTE (331-53) CERTAINLY REDUCES MY CONCERN IN THAT AREA. This bill is now under active consideration before the Senate Committee on Labor and Public Welfare. In fact, I am proposing a number of significant changes for the Senate version of this bill, to strengthen its rural programs (in kind contributions, equal urban/rural poverty level, etc.)

I UNDERSTAND THAT THE SENATE COMMITTEE WILL HOLD HEARINGS ON THIS BILL BEFORE THE END OF JUNE SENATE ENACTMENT OF THIS LEGISLATION APPEARS LIKELY SOMETIME THIS SUMMER, HOPEFULLY IN JULY.

GIVEN THE BITTER DISPUTES AND THE UNJUSTIFIED ATTACKS ON THE "POVERTY PROGRAM," IN RECENT YEARS, I AM VERY ENCOURAGED BY THE SUPPORT FOR THESE PROGRAMS THAT HAS EMERGED ALL OVER THE COUNTRY, AS REFLECTED BY THE ACTION IN THE HOUSE. IN THE UPCOMING DEBATE MY EFFORTS WILL BE DIRECTED TOWARD THREE GOALS - ASSURING ADEQUATE FUNDING FOR THESE PROGRAMS, FOCUSING RESPONSIBILITY FOR THESE PROGRAMS IN ONE PLACE WITHIN THE EXECUTIVE BRANCH, AND GUARANTEEING EVEN HANDED TREATMENT FOR THE POVERTY PROBLEMS OF OUR HARD PRESSED RURAL AREAS,

AS CHAIRMAN OF THE CONSUMER ECONOMICS SUBCOMMITTEE IN THE SENATE, I HAVE BECOME EVEN MORE AWARE OF THE TERRIBLE COST TO OUR NATION'S POOR, AND TO THOSE ON FIXED INCOMES, OF THE CURRENT ECONOMIC CHAOS, AND THE APPARENT INABILITY OF THIS ADMINISTRATION TO DO ANYTHING ABOUT IT. CERTAINLY WE NEED ANTI-POVERTY PROGRAMS. THEY ZERO IN ON SPECIFIC SOCIAL AND ECONOMIC ILLS AFFECTING LOCAL PEOPLE AND ATTEMPT TO PROVIDE THE NEEDED MEDICINE TO DEAL WITH THEM. BUT, TO PULL THOSE MIRED DOWN IN POVERTY UP TO A DECENT STANDARD OF LIVING - AND TO KEEP THEM THERE - REQUIRES THAT THE NATIONAL ECONOMY BE KEPT HEALTHY AND PROSPEROUS,

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REGRETTABLY, THIS HAS NOT BEEN ACHIEVED IN THE LAST FEW YEARS As a RESULT, THE ELDERLY AND THE POOR ARE BEING CRUSHED UNDER AN ECONOMIC BURDEN THEY SIMPLY CANNOT SUSTAIN.

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AT A TIME WHEN UNEMPLOYMENT IS AT 5.2% AND RISING, IT IS THE YOUNG, THE POOR, AND THE ELDERLY, THAT LOOSE THEIR JOBS AND CANNOT FIND OTHER WORK UNEMPLOYMENT OF 5% PLUS, ACCEPTED AS NORMAL BY THIS ADMINISTRATION, MEANS THAT 15% - 20% - OR MORE OF THE PEOPLE IN THESE GROUPS,

ARE WITHOUT JOBS.

THIS MAY BE A DESIRABLE ECONOMIC PRESCRIPTION for Professional Crown For the BIG BANKERS, AND CORPORATE LAWYERS - THEY DO NOT HAVE TO DO THE SUFFERING - BUT IT IS A BITTER MEDICINE FOR THOSE IN THE UNEMPLOYMENT LINES WHO HAVE TO TASTE IT for the transformed to the transforme THIS POLICY IS SIMPLY UNFAIR. IT CALLS UPON THOSE WHO CAN AFFORD IT LEAST TO DO ALL OF THE SACRIFICING. SUCH A POLICY BREEDS FRUSTRATION, DEPRIVATION AND INDIGNATION - IT IS A TRAGIC WASTE OF AMERICA'S PRODUCTIVE HUMAN RESOURCES.

I BELIEVE THAT OUR HIGHEST NATIONAL ECONOMIC GOAL MUST BE THE FULL EMPLOYMENT OF OUR PEOPLE - AND NOT WITH A "WEAK-KNEED" DEFINITION THAT ACCEPTS 5% OR MORE OF OUR PEOPLE OUT OF WORK AS "FULL EMPLOYMENT."

[AND, THE BURDEN OF INFLATION, WHICH EXPLODED BY 10.2 PERCENT IN THE LAST YEAR, WEIGHS MORE HEAVILY ON THE POOR AND ON THOSE ON FIXED INCOMES THAN ON ANY OTHER GROUPS IN AMERICA. (cotyling) EARLY THIS SPRING I RELEASED A STUDY OF THE IMPACT OF LAST YEARS INFLATION ON CONSUMERS, IN GENERAL, AND LOW AND MODERATE INCOME FAMILIES IN PARTICULAR. THIS REPORT, BY THE ECONOMISTS OF THE JOINT ECONOMIC COMMITTEE, CONCLUDED THAT "THE IMPACT OF HIGHER PRICES ON LOWER INCOME CONSUMERS WAS ABOUT ONE-THIRD LARGER THAN ON OTHER CONSUMERS IN 1973."

THIS SHOULD COME AS NO SURPRISE, FOR THE LOWER THE FAMILY INCOME THE LARGER THE SHARE OF THE TOTAL INCOME THAT MUST GO TO BUY FOOD, COVER HOUSING COSTS, PAY MEDICAL BILLS, AND PURCHASE FUEL - AND YOU DON'T NEED AN ECONOMIST TO TELL YOU THAT THESE PRICES HAVE GONE OUT OF SIGHT IN THE LAST FEW YEARS.

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I AM MANAGING A PACKAGE OF AMENDMENTS IN THE SENATE THIS WEEK THAT WILL HELP DEAL, IN PART, WITH THIS COMPLEX AND CONFOUNDING PROBLEM. THIS TAX CUT AND TAX REFORM LEGISLATION WILL INCREASE THE AMOUNT OF MONEY IN THE POCKETS OF LOW AND MIDDLE INCOME PEOPLE TO HELP THOSE HURT HARDEST BY INFLATION. AT THE SAME TIME, IT WILL RAISE MOST OF THE MONEY FOR THE TAX CUT BY CLOSING A NUMBER OF THE MOST BLATANT CORPORATE LOOPHOLES -INCLUDING THE OIL DEPLETION ALLOWANCE, I HAVE NO QUICK AND EASY ANSWERS TO THE BASIC PROBLEM OF INFLATION - TO BE QUITE HONEST WITH YOU - AND NEITHER DOES THE ADMINISTRATION OR

ANYONE ELSE I KNOW.

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BUT, WHILE WE GROPE IN THE DARKNESS FOR THE WAY OUT OF THIS ECONOMIC NIGHTMARE, NOTHING SHOULD BE ALLOWED TO STOP US FROM MAKING OUR TAX SYSTEM FAIRER AND HELPING OUT THOSE HIT HARDEST BY INFLATION. THE ECONOMIC OPPORTUNITY THAT THE POOR IN THIS NATION DESERVE, TO MAKE A BETTER LIFE FOR THEMSELVES, WILL ONLY BE POSSIBLE WHEN THE RECENT ECONOMIC BREAKDOWN - IN MANY WAYS D THE WORST SINCE WORLD WAR II - IS REVERSED. A PROSPEROUS ECONOMY - WITH HIGH LEVELS OF EMPLOYMENT, THE FULL UTILIZATION OF AMERICA'S PRODUCTIVE CAPACITY, ON THE FARM AND IN THE FACTORY, AND RELATIVE PRICE STABILITY - IS THE BEST HOPE FOR IMPROVING THE LIVES OF AMERICA'S POOR.

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OF COURSE, I WIL BE WORKING IN THE SENATE TO DEVELOP AND PROMOTE THOSE NATIONAL ECONOMIC POLICIES THAT I BELIEVE WILL RETURN ECONOMIC PROSPERITY TO AMERICA. ECONOMIC POLICIES THAT WILL INCREASE THE SHARE OF SO MANY IN OUR COUNTRY WHO HAVE SO LITTLE, AND NOT SIMPLY PAD THE BANK ACCOUNTS OF THOSE WHO ALREADY HAVE TOO MUCH.

AND, I WILL CONTINUE TO GIVE MY SPECIAL ATTENTION TO THOSE PROGRAMS OF HUMAN DIGNITY THAT I HAVE BEEN PRIVILEGED TO HELP TO CREATE AND ADVANCE DURING THE LAST 25 YEARS. As the current price increases for just about everything have shown, Congress cannot simply enact laws and assume everything will then take care of itself -- you can't just pass'em and forget'em. Unless you watch the changing needs of our people closely and change prorams accordingly, they soon loose their value.

WE HAVE SUCCEEDED IN LEGISLATING AUTOMATIC COST OF LIVING INCREASES IN SOCIAL SECURITY, FOOD STAMPS, AND A VARIETY OF SIMILAR SOCIAL PROGRAMS. THIS WEEK I WILL BE URGING THE SENATE TO PASS MY PROPOSAL TO DO THE SAME FOR THE ELDERLY, THE BLIND, AND THE DISABLED RECIPIENTS OF SUPPLEMENTAL SECURITY INCOME PAYMENTS. I DO NOT INTENT TO "FORGET'EM." NATIONAL HEALTH INSURANCE, THE NATURAL FOLLOW-UP TO MEDICARE AND MEDICAID, IS COMING FAST NOW. OF COURSE, FOR THOSE OF US WHO HAVE BEEN PULLING AND PRODING RELENTLESSLY ON THIS FOR 25 YEARS IT IS GREAT TO SEE THIS HAPPENING.

However, when I think of the tragic personal hardship and financial disaster that people and families I know have been through - unnecessary hardships and disasters that could have been avoided easily with a decent National Health Insurance program - it is enough to make me weep in sorrow and cry out in rage.

BUT THANK THE LORD THAT ATTITUDES CHANGE OVER TIME, AND WHAT WAS CONSIDERED A "FAR OUT" IDEA TWENTY YEARS AGO WILL VERY SOON BECOME THE LAW OF THE LAND. I WILL ALSO BE GIVING A GREAT DEAL OF ATTENTION IN THE WEEKS AHEAD, AS I MENTIONED EARLIER, TO STRENGTHENING THE <u>ANTI-POVERTY</u> LEGISLATION NOW BEING CONSIDERED IN THE SENATE.

IN PARTICULAR, THE HOUSE PASSED BILL NEEDS TO BE "BEEFED-UP" IN TERMS OF RURAL POVERTY PROBLEMS I AM CONFIDENT THAT IT WILL BE. WE ARE VERY FORTUNATE THAT THE TWO LEADING SENATORS HANDLING ANTI-POVERTY LEGISLATION ON THE LABOR AND PUBLIC WELFARE COMMITTEE, AND WITH WHOM I HAVE BEEN WORKING VERY CLOSELY ON THIS, SENATOR MONDALE AND SENATOR NELSON, BOTH UNDERSTAND THE NEEDS OF THE RURAL POOR AND WILL DO ALL THEY CAN TO STRENGTHEN THE PROGRAMS FOR THEM.

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