

REMARKS OF SENATOR HUBERT H. HUMPHREY

MAYO HIGH SCHOOL CONVOCATION
ROCHESTER, MINNESOTA
OCTOBER 25, 1974

America is confronted today with the most serious combination of economic problems since the end of World War II.

Inflation is roaring ahead at a rate of about 12% eroding savings, reducing the value of workers' paychecks, and pushing the cost of borrowing money for housing, farming and small business out of sight.

At the same time, production has gone into a tailspin. Last week Dr. Arthur Burns told me, and other members of the Joint Economic Committee that "we are in a recession." With this recession has come a frightening increase in unemployment. The number of people out of work is 5.8% of the labor force, that means 5.4 million people. In four short weeks in September 400,000 Americans were added to the unemployment lines.

Yet, despite the official rhetoric, there is no real sense of urgency in the Administration that something must be done now to beat back inflation, to help those hurt most by it, and to get the economy moving ahead once again.

For example, in his speech to the nation on the economy, the President called for a program to provide public service jobs to those thrown out of work. The fine print on his proposal suggested a \$500 million program when the nation's unemployment level reached 6%.

However, when Senator Jacob Javits and I attempted to pass legislation just last week to give the President the funds he said he wanted, the Administration turned its back on us. As a result, we were unable to provide even this very modest amount of additional help to those hurt most by inflation.

There comes a time when you have to deliver on the rhetoric and that time has arrived.

When I gave the concluding address at the Economic Summit Conference on September 28th, I pointed out that, despite what some have claimed, inflation is not a thief in the night stealing from every American equally. I noted that the normal American working family spends 80% of its income on those items which have risen most in price, food, fuel, transportation, health care, housing and clothing. I urged the President to give these people a break.

Instead, we were offered a tax proposal that puts a surcharge on the income of families making as little as \$15,000 and single people with incomes as low as \$7,500 and gives big business, operating at record profits, the only break. Big business will be given billions of dollars in tax relief if this proposal is enacted. This just is not fair.

I have introduced the Tax Equity Act of 1974 as an alternative to the President's proposal. In essence, this measure provides \$3.2 billion in tax relief to families making under \$15,000 annually with a special provision to help the working poor by cutting the amount of Social Security tax they have to pay.

These tax cuts for low and middle income families are fully paid for by closing some of the most glaring loopholes available to the oil companies and to some wealthy individuals. I don't believe the oil companies, with profits up 83% this year on top of record profits last year, need to be given windfall profits by continuing the oil depletion allowance. And, if I have my way, the days of windfalls from your pocketbooks going into the corporate coffers will be over.

I agree that we need to keep a tight lid on Federal spending. In fact, I endorse a balanced budget for this year. But, if we are going to cut the budget, let's not take it all from the "people programs" - social security, medicare social services, education, community development and the like- that are so important to the well being of our citizens. I oppose the meat axe approach to budgeting that has been practiced so often in the past in the name of "economizing".

And, while I am on the subject of "people programs", let me mention that as more and more of the responsibility for these programs is shifted to state and local government, the need to elect progressive minded people to these positions becomes ever more important.

Today you need people to represent you who care about people not only in the Congress, but you must also have them in the Governor's Mansion, in the state legislature, in City Hall and in the Town Hall. This is where government meets the people; this is where government is of, by and for the people - or fails.

We have serious problems in this country today, but that is nothing new. We have had more than our share of problems in this country in the 20th century. We have had Depression, war and scandals, but we have always had the guts and the leadership we needed to get us through these crises.

In fact, it is a great tribute to the strength of our political system and to our people that we have always overcome. There is no question that we can and will overcome the present crop of difficulties serious though they are. But, to do so you must pick the right leadership. With people in public office who know your problems and are dedicated to solving them, no mountain stands too high.

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- A Stake in the Economy - Jobs -
- A Stake in Politics - Policy - Tax, Educ,
Health, Environ,
Energy - Food.

Mayo
Ht School

Rocky Foldy Wright
Dr Ralph ~~Baker~~

Rep Bill ~~Quinn~~ Pullen

almost
county Jarrell ~~State~~ Miller

Dick Lambke
Tom Resner
Rick Scott

Our Structure of Govt

Federalism
- Service by local + State Govt
- Planning

(A) <u>Douglas</u> - <u>dark</u> - <u>justice</u>	<u>Rocky</u>
<u>close</u> - <u>President</u>	<u>Spokane</u>
<u>China</u>	<u>North</u>
	<u>Park</u>

Learning from Elgar

Bi centennial Reminders

- U.S. Born in Pain
- Slavery
- Slavery
- Civil War
- Corruption
- Trusts - Robt Barons
- 1920's

1930's Depression
Hitler - Murder - need
- Collective Security
League of Nations - U.N
Pearl Harbor
Sometimes overcast
Defense Spending

World Peace - you would should
Vietnam

Watts - Energy - Research
Ford Shaw - Reserve

AMERICA IS CONFRONTED TODAY WITH THE MOST SERIOUS
COMBINATION OF ECONOMIC PROBLEMS SINCE THE END OF
WORLD WAR II.

INFLATION IS ROARING AHEAD AT A RATE OF ABOUT 12%
ERODING SAVINGS, REDUCING THE VALUE OF WORKERS' PAYCHECKS,
AND PUSHING THE COST OF BORROWING MONEY FOR HOUSING,
FARMING AND SMALL BUSINESS OUT OF SIGHT.

AT THE SAME TIME, PRODUCTION HAS GONE INTO A TAILSPIN.
LAST WEEK DR. ARTHUR BURNS TOLD ME, AND OTHER MEMBERS
OF THE JOINT ECONOMIC COMMITTEE THAT "WE ARE IN A RECESSION."
WITH THIS RECESSION HAS COME A FRIGHTENING INCREASE IN
UNEMPLOYMENT. THE NUMBER OF PEOPLE OUT OF WORK IS 5.8%
OF THE LABOR FORCE, THAT MEANS 5.4 MILLION PEOPLE.

IN FOUR SHORT WEEKS IN SEPTEMBER 400,000 AMERICANS WERE
ADDED TO THE UNEMPLOYMENT LINES.

YET, DESPITE THE OFFICIAL RHETORIC, THERE IS NO REAL
SENSE OF URGENCY IN THE ADMINISTRATION THAT SOMETHING
MUST BE DONE NOW TO BEAT BACK INFLATION, TO HELP THOSE
HURT MOST BY IT, AND TO GET THE ECONOMY MOVING AHEAD ONCE
AGAIN.

FOR EXAMPLE, IN HIS SPEECH TO THE NATION ON THE
ECONOMY, THE PRESIDENT CALLED FOR A PROGRAM TO PROVIDE
PUBLIC SERVICE JOBS TO THOSE THROWN OUT OF WORK. THE
FINE PRINT ON HIS PROPOSAL SUGGESTED A \$500 MILLION
PROGRAM WHEN THE NATION'S UNEMPLOYMENT LEVEL REACHED
6%.

HOWEVER, WHEN SENATOR JACOB JAVITS AND I ATTEMPTED TO PASS LEGISLATION JUST LAST WEEK TO GIVE THE PRESIDENT THE FUNDS HE SAID HE WANTED, THE ADMINISTRATION TURNED ITS BACK ON US. AS A RESULT, WE WERE UNABLE TO PROVIDE EVEN THIS VERY MODEST AMOUNT OF ADDITIONAL HELP TO THOSE HURT MOST BY INFLATION.

THERE COMES A TIME WHEN YOU HAVE TO DELIVER ON THE RHETORIC AND THAT TIME HAS ARRIVED.

WHEN I GAVE THE CONCLUDING ADDRESS AT THE ECONOMIC
SUMMIT CONFERENCE ON SEPTEMBER 28TH, I POINTED
OUT THAT, DESPITE WHAT SOME HAVE CLAIMED, INFLATION
IS NOT A THIEF IN THE NIGHT STEALING FROM EVERY
AMERICAN EQUALLY. I NOTED THAT THE NORMAL AMERICAN
WORKING FAMILY SPENDS 80% OF ITS INCOME ON THOSE ITEMS
WHICH HAVE RISEN MOST IN PRICE, FOOD, FUEL, TRANSPORTATION,
HEALTH CARE, HOUSING AND CLOTHING. I URGED THE PRESIDENT
TO GIVE THESE PEOPLE A BREAK.

INSTEAD, WE WERE OFFERED A TAX PROPOSAL THAT PUTS A SURCHARGE ON THE INCOME OF FAMILIES MAKING AS LITTLE AS \$15,000 AND SINGLE PEOPLE WITH INCOMES AS LOW AS \$7,500 AND GIVES BIG BUSINESS, OPERATING AT RECORD PROFITS, THE ONLY BREAK. BIG BUSINESS WILL BE GIVEN BILLIONS OF DOLLARS IN TAX RELIEF IF THIS PROPOSAL IS ENACTED. THIS JUST IS NOT FAIR.

I HAVE INTRODUCED THE TAX EQUITY ACT OF 1974 AS AN ALTERNATIVE TO THE PRESIDENT'S PROPOSAL. IN ESSENCE, THIS MEASURE PROVIDES \$3.2 BILLION IN TAX RELIEF TO FAMILIES MAKING UNDER \$15,000 ANNUALLY WITH A SPECIAL PROVISION TO HELP THE WORKING POOR BY CUTTING THE AMOUNT OF SOCIAL SECURITY TAX THEY HAVE TO PAY.

THESE TAX CUTS FOR LOW AND MIDDLE INCOME FAMILIES **ARE**
■ FULLY PAID FOR BY CLOSING SOME OF THE MOST GLARING
LOOPHOLES AVAILABLE TO THE OIL COMPANIES AND TO SOME
WEALTHY INDIVIDUALS. I DON'T BELIEVE THE OIL COMPANIES,
WITH PROFITS UP 83% THIS YEAR ON TOP OF RECORD PROFITS
LAST YEAR, NEED TO BE GIVEN WINDFALL PROFITS BY CONTINUING
THE OIL DEPLETION ALLOWANCE. AND, IF I HAVE MY WAY, THE DAYS
OF WINDFALLS FROM YOUR POCKETBOOKS GOING INTO THE CORPORATE
COFFERS WILL BE OVER.

I AGREE THAT WE NEED TO KEEP A TIGHT LID ON FEDERAL
SPENDING. IN FACT, I ENDORSE A BALANCED BUDGET FOR THIS
YEAR. BUT, IF WE ARE GOING TO CUT THE BUDGET, LET'S NOT
TAKE IT ALL FROM THE "PEOPLE PROGRAMS" - SOCIAL SECURITY,
MEDICARE SOCIAL SERVICES, EDUCATION, COMMUNITY DEVELOPMENT
AND THE LIKE- THAT ARE SO IMPORTANT TO THE WELL BEING OF
OUR CITIZENS. I OPPOSE THE MEAT AXE APPROACH TO BUDGETING
THAT HAS BEEN PRACTICED SO OFTEN IN THE PAST IN THE NAME
OF "ECONOMIZING".

AND, WHILE I AM ON THE SUBJECT OF "PEOPLE PROGRAMS",
LET ME MENTION THAT AS MORE AND MORE OF THE RESPONSIBILITY
FOR THESE PROGRAMS IS SHIFTED TO STATE AND LOCAL GOVERNMENT,
THE NEED TO ELECT PROGRESSIVE MINDED PEOPLE TO THESE POSITIONS
BECOMES EVER MORE IMPORTANT.

TODAY YOU NEED PEOPLE TO REPRESENT YOU WHO CARE ABOUT
PEOPLE NOT ONLY IN THE CONGRESS, BUT YOU MUST ALSO HAVE
THEM IN THE GOVERNOR'S MANSION, IN THE STATE LEGISLATURE,
IN CITY HALL AND IN THE TOWN HALL. THIS IS WHERE GOVERNMENT
MEETS THE PEOPLE; THIS IS WHERE GOVERNMENT IS OF, BY AND
FOR THE PEOPLE - OR FAILS.

WE HAVE SERIOUS PROBLEMS IN THIS COUNTRY TODAY, BUT THAT IS NOTHING NEW. WE HAVE HAD MORE THAN OUR SHARE OF PROBLEMS IN THIS COUNTRY IN THE 20TH CENTURY. WE HAVE HAD DEPRESSION, WAR AND SCANDALS, BUT WE HAVE ALWAYS HAD THE GUTS AND THE LEADERSHIP WE NEEDED TO GET US THROUGH THESE CRISES.

IN FACT, IT IS A GREAT TRIBUTE TO THE STRENGTH OF OUR POLITICAL SYSTEM AND TO OUR PEOPLE THAT WE HAVE ALWAYS OVERCOME. THERE IS NO QUESTION THAT WE CAN AND WILL OVERCOME THE PRESENT CROP OF DIFFICULTIES SERIOUS THOUGH THEY ARE. BUT, TO DO SO YOU MUST PICK THE RIGHT LEADERSHIP. WITH PEOPLE IN PUBLIC OFFICE WHO KNOW YOUR PROBLEMS AND ARE DEDICATED TO SOLVING THEM, NO MOUNTAIN STANDS TOO HIGH.



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