

REMARKS OF SENATOR HUBERT H. HUMPHREY

LEADERSHIP CONFERENCE

AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES

Washington, D.C.

January 26, 1976

It's a pleasure to be here with my friends in the American Federation of State, County and Municipal Employees once again. As you all are aware, I long have supported your efforts to achieve the rights and benefits to which each and every American worker is entitled.

I'm here today to talk about a subject that is of paramount importance to you, your families and the country. That subject is jobs.

Unfortunately, it's a subject that the Nixon-Ford Administration just doesn't understand.

It doesn't understand that people would rather be on the job than on the dole.

It doesn't understand that American men and women prefer a paycheck to a welfare check.

It doesn't understand that family stability depends on jobs.

It doesn't understand that crime prevention depends on jobs.

It doesn't understand that physical and mental health depend on jobs.

To put it simply it just doesn't understand.

Let's look at the record. When President Nixon came to power the unemployment rate was 3.6 percent. By the time he resigned, it was 5.4 percent and the seeds had been sown for the Nation's worst recession since the Great Depression, quite a record!

The Ford Administration came along and introduced the country to government by veto -- 44 vetoes since he's been in office. If it walks, talks or costs money, you can be sure the President will veto it.

It's the same old Republican chant "No! No! Go Slow! Not Now! Veto!"

Right in the middle of the recession the President vetoed bills that would have provided almost a million jobs. He just doesn't understand how unemployment tears at the very fabric of a free society. However, it shouldn't surprise you that President Ford doesn't understand unemployment. The only unemployed people Mr. Ford has talked to recently are named Schlesinger and Dunlop.

You know I am a strong supporter of labor -- I always have been and I always will be. In my opinion, every person who wants to work should have a job and at a decent wage. But I think we need a few layoffs around the White House. In fact, we ought to get some skilled union labor in there.

Working Americans need a friend in the White House for a change, and a change in the White House to gain a friend.

It is time for an accounting by the White House -- time to check the books. And an honest accounting shows that the worst deficit in America today is the huge gap between Republican promise and Republican performance.

The Nixon and Ford Administration:

Promise balanced budgets, but have given us the highest budget deficits in our history;

Promise jobs and sing the glories of the work ethic, but have given us the highest unemployment levels since the Great Depression;

Promise a stable dollar, but have given us the highest inflation rates in our 200 year history;

Promise free enterprise, but have given us more rules and regulations than ever before and have forced nearly 10,000 businesses to close their doors in 1975 alone;

Promise prosperity, but have given us the longest and most costly recession since the Hoover Depression;

Promise good government, but are guilty of more mismanagement and outright corruption than at any time since Grant and Harding; and

Promise law and order, but preside over the highest crime record in history.

What I'd like to talk to you about is getting the leadership that we need to put America back to work. It certainly isn't going to happen by itself.

You read the papers and you've seen the figures. Every economic expert that the Administration has -- and I use the word "expert" with hesitation -- is quoted as saying the economic recovery is well underway. Industrial production is up. Profits are up. Inventories are being liquidated. That takes care of all the Administration's friends.

But let's take a look at the "people recovery," the one that is of greatest importance to you and me.

Close to eight million American workers currently are unemployed. The number of families below the poverty line is rising. The buying power of your paycheck has been reduced to the same level that it was in the mid-60's. That is Republican economics at work.

And the outlook for next year is not much better.

The President's budget is a disaster for the national economy, for state and local governments, and for the American people. In fact, I think we should consider extending our disaster insurance program to American workers and their families to protect them from Republican economics.

Let's take a look at what the budget will do to the people.

Unemployment will average 7.7 percent in 1976, according to the President, and could rise to over eight percent in 1977.

Medicare costs will soar.

Health and education programs are being cut.

But this Administration has a new name for it -- they call it "consolidation."

This is a nice, sterile term -- it doesn't bother the conscience the way it would if you called it what it really is -- less money for educating our boys and girls, higher costs for the health care of our elderly people, fewer emergency public jobs for those without work.

And you know where the biggest cut is -- Manpower and Employment Training, down 27 percent in real terms. With eight million people unemployed, the President proposes cutting the Manpower budget.

The only public works program proposed in this Budget is to build four new prisons. Unless we get unemployment way down, particularly among the young, prison construction will never keep pace with the increase in crime.

And what does the President offer as a substitute for all that must be done? A small tax cut. But let's take a closer look at that tax cut.

Social security taxes are going up. Contributions to the unemployment compensation funds are going up. How much of that tax cut do you really think will show up in your check after they're done nickel and diming you to death? Less than half of what the President claims.

But why would a President do this to the American economy and the American people? I have thought about this question a lot and I think I have found three answers.

First, the President believes that Federal expenditures are gobbling up a larger and larger share of people's incomes and that this is providing a drain on the private economy.

Second, the President believes that a rapid economic recovery will only rekindle the inflation fires that have ravaged our economy over the last three years.

And finally, the President believes that Federal programs are wasteful and ineffective.

On all three counts the President is wrong. And his errors cost the American worker dearly.

First, Federal spending has not changed much as a percentage of full employment GNP in the last fifteen years. In 1960, Federal government expenditures as a percentage of full employment GNP were 17.3; in 1970, 20 percent, and ironically in fiscal year 1976, only 18.7 percent.

So Federal spending has changed very little when compared to full employment GNP. Sure, government is big. But so is our economy. So is business. And so is labor.

Everything has gotten bigger in the last fifteen years, but the share going to the Federal government has not changed significantly.

The President's assumption that rapid recovery will rekindle inflation also is erroneous.

We presently are operating at about 75 percent capacity with eight and one-half percent of our work force officially unemployed. There is plenty of room for expansion before we run into capacity constraints. Moreover, as our economy produces more, we get higher wages, greater productivity, higher returns on investments, lower deficits and thus less inflation. Vigorous economic recovery is needed to fight inflation. It will not produce more inflation.

Finally, the President feels his budget cuts will eliminate waste in government.

But you and I know that the greatest single waste in America is not in government, although at times government is shamefully wasteful. The greatest waste is our failure to utilize the skill, the energy and the available talent of our citizens who currently are unemployed, and our failure to utilize the tools, machinery and plant capacity of this nation.

That's waste.

Four to five million people idle above the normal levels. \$60 billion in Federal revenues lost this year alone. Billions more lost by state and local governments. \$300 billion in goods and services lost forever due to this recession.

\$1.5 trillion lost from American paychecks through the end of this decade because of this Recession -- \$7,000 for every man, woman and child in America.

That's what I call waste. Government waste pales in comparison.

The President's budget is an outright disaster for state and local governments -- offering plenty of rhetoric but very little money on the bottom line.

You all know that our states and cities are mired in the worst budget squeeze since the Great Depression. Regressive state and local taxes are soaring, essential services are being slashed, and your members are being laid off.

But if the President's budget proposals are enacted, next year will be even worse. State and local governments don't need rhetoric about local control, they need relief from Republican economics.

When you look at the numbers -- and that's what budgets are all about -- the President calls for a five percent reduction in real grants-in-aid to states, cities and counties.

Program after program has been systematically slashed to reduce state and local governments' piece of the Budget pie. Community and Regional Development, down 8 percent; Health, down 4 percent; Education, down 11 percent.

It's clear that the President's prescription for state and local government budget problems is simple -- retreat, retrench, reduce.

The new consolidations are just one example of the cruel shell game that this Administration is playing. Sure, it gives state and local governments more discretion and more responsibility, but also less money.

You and I know that discretion doesn't meet the payrolls, discretion doesn't operate the schools, and discretion won't meet our housing needs -- this takes Dollars.

That's the real "Common Sense" message that someone should have handed the President before he conjured up his vision of the "State of the Union."

For all their shortcomings, the President's budget and State of the Union messages do focus our attention on the choices that America faces as we enter our third century.

We can follow the path that the President and other Republican candidates offer -- to retreat from the challenge of government that tries its best to solve the problems of its citizens.

Or, we can choose to continue in the progressive tradition of a people's government designed to meet people's needs -- and get America back to work.

I know which one I'll support -- I think I know which one you'll support. We know what America needs.

We have got to work together to elect the leaders who understand the simple truth that Americans want to work, that a welfare check is not a substitute for a paycheck, and that a healthy economy is essential to a healthy Nation.

We are at a crossroads -- not just in our economy, but in our national spirit. The people are growing impatient. They are demanding a government that hears them and responds, and they will not be denied.

They have put up with a Nixon-Ford Administration which for seven years has told them: "We know what you need -- now sit down and don't bother us." And they will tolerate it no longer.

They are asking why we the people -- the worker, the farmer, the builder, the government employee, the small businessman -- have to reach a condition of dire emergency before the Administration will even listen.

They are asking how men who put their hands on a Bible and swore to work for the public good, can turn their backs on the people whom they have sworn to serve.

They are asking why the man who holds the highest office in this land doesn't look out across the nation at the length and breadth of its problems, at its cities in disrepair and its factories idle, at its jobless workers and its desperate young people, and say "There is an enormous job to be done here, one of the biggest jobs we've ever faced. Let's get to work!"

We have had men like that before, men who were great leaders because they were good listeners, because they knew that we needed a new sense of hope and a new sense of purpose. Men who knew that the government is the servant of the people rather than their master. You and I know their names -- Roosevelt, Truman, Kennedy, Johnson.

And the Democratic party still embodies that spirit.

Believe me, it is more important than ever, in this hour of crisis, that we put the party of the people back to work for all the people.

It is more important than ever, for the fate of our society and our standard of living, that we put a Democrat in the White House next year.

You and I know what we have to do.

We see that the job is there to be done.

Now let's get out there and get to work.

REMARKS OF SENATOR HUBERT H. HUMPHREY

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WASHINGTON, D.C.

JANUARY 26, 1976

Jerry Wurf, Nicholas, Atagail
+ Mildred

IT'S A PLEASURE TO BE HERE WITH MY FRIENDS IN THE AMERICAN

Afscme
FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES ONCE

AGAIN. AS YOU ALL ARE AWARE, I LONG HAVE SUPPORTED YOUR

Culture Bill Lucas
EFFORTS TO ACHIEVE THE RIGHTS AND BENEFITS TO WHICH EACH

Bill Welch
AND EVERY AMERICAN WORKERS IS ENTITLED.

X today I'M HERE ~~TODAY~~ TO TALK ABOUT A SUBJECT THAT IS OF

PARAMOUNT IMPORTANCE TO YOU, YOUR FAMILIES AND THE COUNTRY.

(THAT SUBJECT IS JOBS.) Income

L UNFORTUNATELY, ITS A SUBJECT THAT THE NIXON-FORD

ADMINISTRATION JUST DOESN'T UNDERSTAND.

L This Rep. Administration

IT DOESN'T UNDERSTAND THAT PEOPLE WOULD RATHER BE ON

THE JOB THAN ON THE DOLE.

L IT DOESN'T UNDERSTAND THAT AMERICAN MEN AND WOMEN PREFER

A PAYCHECK TO A WELFARE CHECK.

IT DOESN'T UNDERSTAND THAT FAMILY STABILITY DEPENDS ON

JOB~~S~~.

IT DOESN'T UNDERSTAND THAT CRIME PREVENTION DEPENDS ON

JOB~~S~~.

IT DOESN'T UNDERSTAND THAT PHYSICAL AND MENTAL HEALTH

DEPEND ON JOB~~S~~.

In fact it just doesn't

TO PUT IT SIMPLY IT JUST DOESN'T UNDERSTAND.

LET'S LOOK AT THE RECORD. WHEN PRESIDENT NIXON CAME TO

POWER THE UNEMPLOYMENT RATE WAS 3.6 PERCENT. BY THE TIME

HE RESIGNED, IT WAS 5.4 PERCENT AND THE SEEDS HAD BEEN SOWN

FOR THE NATION'S WORST RECESSION SINCE THE GREAT DEPRESSION,

QUITE A RECORD!

L THE FORD ADMINISTRATION CAME ALONG AND INTRODUCED THE
COUNTRY TO GOVERNMENT BY VETO -- 44 VETOES SINCE HE'S BEEN
IN OFFICE. L IF IT WALKS, TALKS OR COSTS MONEY, YOU CAN BE
SURE THE PRESIDENT WILL VETO IT.

L IT'S THE SAME OLD REPUBLICAN CHANT "NO! NO! GO SLOW!
NOT NOW! VETO!"

L RIGHT IN THE MIDDLE OF THE RECESSION THE PRESIDENT
VETOED BILLS THAT WOULD HAVE PROVIDED ALMOST A MILLION JOBS.

L HE JUST DOESN'T UNDERSTAND HOW UNEMPLOYMENT TEARS AT THE
VERY FABRIC OF A FREE SOCIETY L HOWEVER, IT SHOULDN'T
SURPRISE YOU THAT PRESIDENT FORD DOESN'T UNDERSTAND

UNEMPLOYMENT. L THE ONLY UNEMPLOYED PEOPLE MR. FORD HAS
TALKED TO RECENTLY ARE NAMED SCHLESINGER AND DUNLOP.

YOU KNOW I AM A STRONG SUPPORTER OF LABOR -- I ALWAYS
HAVE BEEN AND I ALWAYS WILL BE. IN MY OPINION, EVERY PERSON

WHO WANTS TO WORK SHOULD HAVE A JOB AND AT A DECENT WAGE.

L BUT I THINK WE NEED A FEW LAYOFFS AROUND THE WHITE HOUSE.

L IN FACT, WE OUGHT TO GET SOME SKILLED UNION LABOR IN THERE.

L WORKING AMERICANS NEED A FRIEND IN THE WHITE HOUSE FOR
A CHANGE, AND A CHANGE IN THE WHITE HOUSE TO GAIN A FRIEND.

L IT IS TIME FOR AN ACCOUNTING BY THE WHITE HOUSE -- TIME
TO CHECK THE BOOKS. AND AN HONEST ACCOUNTING SHOWS THAT
THE WORST DEFICIT IN AMERICA TODAY IS THE HUGE GAP BETWEEN
REPUBLICAN PROMISE AND REPUBLICAN PERFORMANCE.

Rep
Deficit

THE NIXON AND FORD ADMINISTRATION:

L PROMISE BALANCED BUDGETS, BUT HAVE GIVEN US THE HIGHEST
BUDGET DEFICITS IN OUR HISTORY;

L PROMISE JOBS AND SING THE GLORIES OF THE WORK ETHIC, BUT

HAVE GIVEN US THE HIGHEST UNEMPLOYMENT LEVELS SINCE THE

GREAT DEPRESSION;

L PROMISE A STABLE DOLLAR, BUT HAVE GIVEN US THE HIGHEST

INFLATION RATES IN OUR 200 YEAR HISTORY;

L PROMISE FREE ENTERPRISE, BUT HAVE GIVEN US MORE RULES AND

REGULATIONS THAN EVER BEFORE AND HAVE FORCED NEARLY 10,000

BUSINESSES TO CLOSE THEIR DOORS IN 1975 ALONE;

L PROMISE PROSPERITY, BUT HAVE GIVEN US THE LONGEST AND MOST

COSTLY RECESSION SINCE THE HOOVER DEPRESSION;

L PROMISE GOOD GOVERNMENT, BUT ARE GUILTY OF MORE

MISMANAGEMENT AND OUTRIGHT CORRUPTION THAN AT ANY TIME SINCE

GRANT AND HARDING; AND

L PROMISE LAW AND ORDER, BUT PRESIDE OVER THE HIGHEST CRIME
RECORD IN HISTORY.

WHAT I'D LIKE TO TALK TO YOU ABOUT IS GETTING THE LEADERSHIP
THAT WE NEED TO PUT AMERICA BACK TO WORK. IT CERTAINLY ISN'T
GOING TO HAPPEN BY ITSELF.

L YOU READ THE PAPERS AND YOU'VE SEEN THE FIGURES. EVERY
ECONOMIC EXPERT ~~SAID~~ THE ADMINISTRATION HAS -- AND I USE THE
WORD "EXPERT" WITH HESITATION -- IS QUOTED AS SAYING THE
ECONOMIC RECOVERY IS WELL UNDERWAY. INDUSTRIAL PRODUCTION IS
UP. PROFITS ARE UP. INVENTORIES ARE BEING LIQUIDATED. THAT
TAKES CARE OF ALL THE ADMINISTRATION'S FRIENDS.

L BUT LET'S TAKE A LOOK AT THE "PEOPLE RECOVERY," THE ONE
THAT IS OF GREATEST IMPORTANCE TO YOU AND ME.

h *Better than*

~~close~~ TO EIGHT MILLION AMERICAN WORKERS CURRENTLY ARE

UNEMPLOYED. THE NUMBER OF FAMILIES BELOW THE POVERTY LINE

IS RISING. THE BUYING POWER OF YOUR PAYCHECK HAS BEEN

REDUCED TO THE SAME LEVEL THAT IT WAS IN THE MID-60'S.

h THAT IS REPUBLICAN ECONOMICS AT WORK.

h AND THE OUTLOOK FOR NEXT YEAR IS NOT MUCH BETTER.

h THE PRESIDENT'S BUDGET IS A DISASTER FOR THE NATIONAL

ECONOMY, FOR STATE AND LOCAL GOVERNMENTS, AND FOR THE

AMERICAN PEOPLE. *h* IN FACT, I THINK WE SHOULD CONSIDER

EXTENDING OUR DISASTER INSURANCE PROGRAM TO AMERICAN

WORKERS AND THEIR FAMILIES TO PROTECT THEM FROM REPUBLICAN

ECONOMICS.

h LET'S TAKE A LOOK AT WHAT THE BUDGET WILL DO TO THE

PEOPLE.

L UNEMPLOYMENT WILL AVERAGE 7,7 PERCENT IN 1976, ACCORDING
TO THE PRESIDENT, AND COULD RISE TO OVER EIGHT PERCENT IN 1977.

L MEDICARE COSTS WILL SOAR.

L HEALTH AND EDUCATION PROGRAMS ARE BEING CUT.

L BUT THIS ADMINISTRATION HAS A NEW NAME FOR IT -- THEY
CALL IT "CONSOLIDATION."

L THIS IS A NICE, STERILE TERM -- IT DOESN'T BOTHER THE
CONSCIENCE THE WAY IT WOULD IF YOU CALLED IT WHAT IT REALLY
IS -- LESS MONEY FOR EDUCATING OUR BOYS AND GIRLS, HIGHER
COSTS FOR THE HEALTH CARE OF OUR ELDERLY PEOPLE, FEWER
EMERGENCY PUBLIC JOBS FOR THOSE WITHOUT WORK.

L AND YOU KNOW WHERE THE BIGGEST CUT IS -- MANPOWER AND EMPLOYMENT
TRAINING, DOWN 27 PERCENT IN REAL TERMS. L WITH EIGHT MILLION PEOPLE
UNEMPLOYED, THE PRESIDENT PROPOSES CUTTING THE MANPOWER BUDGET.

Defense - up 15%

L THE ONLY PUBLIC WORKS PROGRAM PROPOSED IN THIS BUDGET

IS TO BUILD FOUR NEW PRISONS. L UNLESS WE GET UNEMPLOYMENT

WAY DOWN, PARTICULARLY AMONG THE YOUNG, PRISON CONSTRUCTION

WILL NEVER KEEP PACE WITH THE INCREASE IN CRIME.

L AND WHAT DOES THE PRESIDENT OFFER AS A SUBSTITUTE FOR

ALL THAT MUST BE DONE? A SMALL TAX CUT. BUT LET'S TAKE

A CLOSER LOOK AT THAT TAX CUT.

W SOCIAL SECURITY TAXES ARE GOING UP L CONTRIBUTIONS TO

THE UNEMPLOYMENT COMPENSATION FUNDS ARE GOING UP. L HOW MUCH

OF THAT TAX CUT DO YOU REALLY THINK WILL SHOW UP IN YOUR

L CHECK AFTER THEY'RE DONE NICKEL AND DIMING YOU TO DEATH?

LESS THAN HALF OF WHAT THE PRESIDENT CLAIMS.

add to inflation
add to costs

L BUT WHY WOULD A PRESIDENT DO THIS TO THE AMERICAN ECONOMY
AND THE AMERICAN PEOPLE? L I HAVE THOUGHT ABOUT THIS QUESTION
A LOT AND I THINK I HAVE FOUND THREE ANSWERS.

L FIRST, THE PRESIDENT BELIEVES THAT FEDERAL EXPENDITURES
ARE GOBBLING UP A LARGER AND LARGER SHARE OF PEOPLE'S
INCOMES AND THAT THIS IS PROVIDING A DRAIN ON THE PRIVATE
ECONOMY.

L SECOND, THE PRESIDENT BELIEVES THAT A RAPID ECONOMIC
RECOVERY WILL ONLY REKINDLE THE INFLATION FIRES THAT HAVE
RAVAGED OUR ECONOMY OVER THE LAST THREE YEARS.

L AND FINALLY, THE PRESIDENT BELIEVES THAT FEDERAL
PROGRAMS ARE WASTEFUL AND INEFFECTIVE.

L ON ALL THREE COUNTS THE PRESIDENT IS WRONG. AND HIS
ERRORS COST THE AMERICAN WORKER DEARLY.

Let me Reply-

-11-

FIRST, FEDERAL SPENDING HAS NOT CHANGED MUCH AS A

PERCENTAGE OF FULL EMPLOYMENT GNP IN THE LAST FIFTEEN YEARS.

IN 1960, FEDERAL GOVERNMENT EXPENDITURES AS A PERCENTAGE⁶

OF FULL EMPLOYMENT GNP WERE 17.3; IN 1970, 20 PERCENT,

AND IRONICALLY IN FISCAL YEAR 1976, ONLY 18.7 PERCENT.

h SO FEDERAL SPENDING HAS CHANGED VERY LITTLE WHEN COMPARED

TO FULL EMPLOYMENT GNP. / SURE, GOVERNMENT IS BIG. / BUT SO

IS OUR ECONOMY. SO IS BUSINESS. AND SO IS LABOR.

EVERYTHING HAS GOTTEN BIGGER IN THE LAST FIFTEEN YEARS,

BUT THE SHARE GOING TO THE FEDERAL GOVERNMENT HAS NOT

CHANGED SIGNIFICANTLY.

L THE PRESIDENT'S ASSUMPTION THAT RAPID RECOVERY WILL

REKINDLE INFLATION ALSO IS ERRONEOUS.

*Last yr - Record
inflation down as Emp up*

L WE PRESENTLY ARE OPERATING AT ABOUT 75 PERCENT CAPACITY

WITH EIGHT AND ONE-HALF PERCENT OF OUR WORK FORCE OFFICIALLY

UNEMPLOYED. L THERE IS PLENTY OF ROOM FOR EXPANSION BEFORE

WE RUN INTO CAPACITY CONSTRAINTS. L MOREOVER, AS OUR ECONOMY

PRODUCES MORE, WE GET HIGHER WAGES, GREATER PRODUCTIVITY,

HIGHER RETURNS ON INVESTMENTS, LOWER DEFICITS AND THUS LESS

INFLATION. L VIGOROUS ECONOMIC RECOVERY IS NEEDED TO FIGHT

INFLATION. IT WILL NOT PRODUCE MORE INFLATION.

FINALLY, THE PRESIDENT FEELS HIS BUDGET CUTS WILL ELIMINATE

WASTE IN GOVERNMENT.

L BUT YOU AND I KNOW THAT THE GREATEST SINGLE WASTE IN AMERICA IS

NOT IN GOVERNMENT, ALTHOUGH AT TIMES GOVERNMENT IS SHAMEFULLY

WASTEFUL.

L THE GREATEST WASTE IS OUR FAILURE TO UTILIZE THE
SKILL, THE ENERGY AND THE AVAILABLE TALENT OF OUR CITIZENS
WHO CURRENTLY ARE UNEMPLOYED, AND OUR FAILURE TO UTILIZE THE
TOOLS, MACHINERY AND PLANT CAPACITY OF THIS NATION.

L THAT'S WASTE.

L FOUR TO FIVE MILLION PEOPLE IDLE ABOVE THE NORMAL LEVELS.

\$60 BILLION IN FEDERAL REVENUES LOST THIS YEAR ALONE.

BILLIONS MORE LOST BY STATE AND LOCAL GOVERNMENTS.

\$300 BILLION IN GOODS AND SERVICES LOST FOREVER DUE TO THIS

RECESSION.

L \$1.5 TRILLION LOST FROM AMERICAN PAYCHECKS THROUGH THE END

OF THIS DECADE BEACUSE OF THIS RECESSION -- \$7,000 FOR EVERY

MAN, WOMAN AND CHILD IN AMERICA.

THAT'S WHAT I CALL WASTE. GOVERNMENT WASTE PALES IN COMPARISON.

THE PRESIDENT'S BUDGET IS AN OUTRIGHT DISASTER FOR STATE AND

LOCAL GOVERNMENTS -- OFFERING PLENTY OF RHETORIC BUT VERY LITTLE

MONEY ON THE BOTTOM LINE.

YOU ALL KNOW THAT OUR STATES AND CITIES ARE MIRED IN THE

WORST BUDGET SQUEEZE SINCE THE GREAT DEPRESSION REGRESSIVE

STATE AND LOCAL TAXES ARE SOARING, ESSENTIAL SERVICES ARE

BEING SLASHED, AND YOUR MEMBERS ARE BEING LAID OFF.

BUT IF THE PRESIDENT'S BUDGET PROPOSALS ARE ENACTED, NEXT

YEAR WILL BE EVEN WORSE. STATE AND LOCAL GOVERNMENTS DON'T

NEED RHETORIC ABOUT LOCAL CONTROL, THEY NEED RELIEF FROM

REPUBLICAN ECONOMICS.

*Emergency Public Works
Counter Cyclical Anti Recession
bill (House) \$4 Billion*

L WHEN YOU LOOK AT THE NUMBERS -- AND THAT'S WHAT BUDGETS
ARE ALL ABOUT -- THE PRESIDENT CALLS FOR A FIVE PERCENT

5%
Reduction

REDUCTION IN REAL GRANTS-IN-AID TO STATES, CITIES AND COUNTIES.

L PROGRAM AFTER PROGRAM HAS BEEN SYSTEMATICALLY SLASHED TO
REDUCE STATE AND LOCAL GOVERNMENTS' PIECE OF THE BUDGET PIE.

L COMMUNITY AND REGIONAL DEVELOPMENT, DOWN 8 PERCENT; HEALTH,
DOWN 4 PERCENT; EDUCATION, DOWN 11 PERCENT.

L IT'S CLEAR THAT THE PRESIDENT'S PRESCRIPTION FOR STATE AND
LOCAL GOVERNMENT BUDGET PROBLEMS IS SIMPLE -- RETREAT, RETRENCH,
REDUCE.

L THE NEW CONSOLIDATIONS ARE JUST ONE EXAMPLE OF THE CRUEL
SHELL GAME THAT THIS ADMINISTRATION IS PLAYING. L SURE, IT GIVES
STATE AND LOCAL GOVERNMENTS MORE DISCRETION AND MORE
RESPONSIBILITY, BUT ALSO LESS MONEY.

5 YOU AND I KNOW THAT DISCRETION DOESN'T MEET THE PAYROLLS,

L DISCRETION DOESN'T OPERATE THE SCHOOLS, AND DISCRETION WON'T
MEET OUR HOUSING NEEDS -- THIS TAKES DOLLARS.

L THAT'S THE REAL "COMMON SENSE" MESSAGE THAT SOMEONE SHOULD
HAVE HANDED THE PRESIDENT BEFORE HE CONJURED UP HIS VISION
OF THE "STATE OF THE UNION."

2 FOR ALL THEIR SHORTCOMINGS, THE PRESIDENT'S BUDGET AND
STATE OF THE UNION MESSAGES DO FOCUS OUR ATTENTION ON THE
CHOICES THAT AMERICA FACES AS WE ENTER OUR THIRD CENTURY.

L WE CAN FOLLOW THE PATH THAT THE PRESIDENT AND OTHER
REPUBLICAN CANDIDATES OFFER -- TO RETREAT FROM THE CHALLENGE
OF GOVERNMENT THAT TRIES ITS BEST TO SOLVE THE PROBLEMS OF
ITS CITIZENS.

OR, WE CAN CHOOSE TO CONTINUE IN THE PROGRESSIVE TRADITION
OF A PEOPLE'S GOVERNMENT DESIGNED TO MEET PEOPLE'S NEEDS -- AND
GET AMERICA BACK TO WORK.

I KNOW WHICH ONE I'LL SUPPORT -- I THINK I KNOW WHICH ONE
YOU'LL SUPPORT. WE KNOW WHAT AMERICA NEEDS.

WE HAVE GOT TO WORK TOGETHER TO ELECT THE LEADERS WHO
UNDERSTAND THE SIMPLE TRUTH THAT AMERICANS WANT TO WORK, THAT
A WELFARE CHECK IS NOT A SUBSTITUTE FOR A PAYCHECK, AND THAT
A HEALTHY ECONOMY IS ESSENTIAL TO A HEALTHY NATION.

WE ARE AT A CROSSROADS -- NOT JUST IN OUR ECONOMY, BUT
IN OUR NATIONAL SPIRIT. THE PEOPLE ARE GROWING IMPATIENT.

THEY ARE DEMANDING A GOVERNMENT THAT HEARS THEM AND RESPONDS,
AND THEY WILL NOT BE DENIED.

h THEY HAVE PUT UP WITH A NIXON-FORD ADMINISTRATION WHICH FOR
SEVEN YEARS HAS TOLD THEM: "WE KNOW WHAT YOU NEED -- NOW SIT
DOWN AND DON'T BOTHER US." L AND THEY WILL TOLERATE IT NO LONGER.

L THEY ARE ASKING WHY WE THE PEOPLE -- THE WORKER, THE FARMER,
THE BUILDER, THE GOVERNMENT EMPLOYEE, THE SMALL BUSINESSMAN --
HAVE TO REACH A CONDITION OF DIRE EMERGENCY BEFORE THE

ADMINISTRATION WILL EVEN LISTEN. /

L THEY ARE ASKING HOW MEN WHO PUT THEIR HANDS ON A BIBLE
AND SWORE TO WORK FOR THE PUBLIC GOOD, CAN TURN THEIR BACKS
ON THE PEOPLE WHOM THEY HAVE SWORN TO SERVE.

L THEY ARE ASKING WHY THE MAN WHO HOLDS THE HIGHEST OFFICE IN
THIS LAND DOESN'T LOOK OUT ACROSS THE NATION AT THE LENGTH AND
BREADTH OF ITS PROBLEMS, AT ITS CITIES IN DISREPAIR AND ITS
FACTORIES IDLE,

L AT ITS JOBLESS WORKERS AND ITS DESPERATE YOUNG PEOPLE, AND

SAY "THERE IS AN ENORMOUS JOB TO BE DONE HERE, ONE OF THE

BIGGEST JOBS WE'VE EVER FACED. LET'S GET TO WORK!"

L WE HAVE HAD MEN LIKE THAT BEFORE, MEN WHO WERE GREAT

LEADERS BECAUSE THEY WERE GOOD LISTENERS, BECAUSE THEY KNEW

THAT WE NEEDED A NEW SENSE OF HOPE AND A NEW SENSE OF PURPOSE!

L MEN WHO KNEW THAT THE GOVERNMENT IS THE SERVANT OF THE PEOPLE

RATHER THAN THEIR MASTER. YOU AND I KNOW THEIR NAMES --

ROOSEVELT, TRUMAN, KENNEDY, JOHNSON.

L AND THE DEMOCRATIC PARTY STILL EMBODIES THAT SPIRIT.

BELIEVE ME, IT IS MORE IMPORTANT THAN EVER, IN THIS HOUR

OF CRISIS, THAT WE PUT THE PARTY OF THE PEOPLE BACK TO WORK

FOR ALL THE PEOPLE.

IT IS MORE IMPORTANT THAN EVER, FOR THE FATE OF OUR
SOCIETY AND OUR STANDARD OF LIVING, THAT WE PUT A DEMOCRAT
IN THE WHITE HOUSE NEXT YEAR.

YOU AND I KNOW WHAT WE HAVE TO DO.

WE SEE THAT THE JOB IS THERE TO BE DONE.

NOW LET'S GET OUT THERE AND GET TO WORK.

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