

Ronald Reagan Presidential Library Digital Library Collections

This is a PDF of a folder from our textual collections.

Collection: Reagan, Ronald: Gubernatorial Papers,
1966-74: Press Unit

Folder Title: Speeches – Governor Reagan - One Time Only
(not indexed by subject), 1969/1974 (3 of 3)

Box: P20

To see more digitized collections visit:

<https://reaganlibrary.gov/archives/digital-library>

To see all Ronald Reagan Presidential Library inventories visit:

<https://reaganlibrary.gov/document-collection>

Contact a reference archivist at: reagan.library@nara.gov

Citation Guidelines: <https://reaganlibrary.gov/citing>

National Archives Catalogue: <https://catalog.archives.gov/>

Goldwater accolades
American business
Government encroachment -
loss of personal freedom
Bureaucracy
Land planning
Consumer protection
Inflation
Free Market
Social Security
Industrial Homestead Act
Employee stock ownership

REMARKS BY GOVERNOR RONALD REAGAN
YAF, SAN FRANCISCO
July 20, 1974

I hardly know what to say. Would you settle for just staying here and we'll just secede?

John, I haven't the words to thank you for a very warm and flattering introduction. I have never been immortalized in song before. To all of you, Ron, all the officers here, Bob, Cliff and our first aid man, Stan. I have told some people before, Stan, that life not only begins at forty so does lumbago, arthritis and a tendency to tell stories.

To all of you, members and friends of YAF, it is an honor and a pleasure, in fact it is a pleasure just to be away from Sacramento. I thank you for offering me sanctuary.

About a year ago the legislature recessed and I had a little more leisure than you usually have throughout the year and that's true at this time. It was just about a year ago this time that Nancy and I thought we would do something we had never done before -- we took a pack trip into the Sierras and I thought it would be quite a change from what had been going on all year in Sacramento and it wasn't all that different. There we were on a rocky, uphill road with a bunch of mules.

I welcome you to California, to this city here of ours on the Bay, San Francisco. You know I have become a student of Greek history. I have learned that there was an ancient Greek city-state that had a custom that anyone who proposed a new law or program for government did so with a noose around his neck standing on a chair with the other end tied to a rope. If they liked the proposal he made they removed the noose, if they didn't they removed the chair. I have developed a morbid fascination for the customs of ancient Greece.

Now I know you didn't come here to listen to a politician tell you about his troubles. You are absolutely right, so I am going to talk about yours, which seems fair enough because a lot of your troubles seem caused by people in my present line of work. I am honored particularly because, if I understand correctly, you, in a way, dedicated this convention, at least a portion of it, to observing the anniversary of the Goldwater crusade. A decade has passed since Barry Goldwater walked a lonely path across this land, speaking truths that needed to be heard. His voice was raised trying to rekindle in our country all the great ideals and principles that set our nation apart from all others that preceded us. But louder and more strident voices uttered easily sold cliches, cartoonists with acid-tipped pens ridiculed and ranted. Barry Goldwater's unforgiveable sin ten years ago was simply and honestly to speak his mind. He thought that free enterprise was in danger from excessive government and he said so. He thought that some Americans were too complacent about the threat of Communism and he said so, just as he said that he thought Lyndon Johnson was backing us into a full-scale war in Vietnam with no plan for ending it once it started. Shortly after the 1964 election I am sure you have heard this one about the young man who said "I was told that if I voted for Barry Goldwater we would be in war in six months. I did and we are."

You know it is hard for anyone to pretend that he can recall any remarks of Barry Goldwater that could be called inflammatory. Blunt, yes; hard truth, yes; vicious or defamatory, no. But this could not be said of his opponents, it is funny how easily there are some protectors of civil rights who can ask "how dare you call someone a Communist, you Fascist you?"

Ten years ago the Postmaster General said "we know what Senator Goldwater is talking about---extremism, his hate and divisiveness. It is spitting on the ambassador to the United Nations." A labor leader drew a parallel between Goldwater and Hitler. The governor of California said "the stench of Fascism is in the air." The National Democratic Chairman said "the Republican platform of Goldwater is an exercise in fantasy, fear and hate." The publisher of a paper that prints all the news fit to print warned that the kind of backing that Goldwater had was the kind of business backing behind the Nazis in the early 30s. A national columnist pointed out that all the tyrants in history from Caesar and Napoleonto Hitler and Stalin, acted in the name of liberty and justice. All this and more was spewed forth because the man pledged to support the Constitution of the United States felt called upon to remind us that even a land as rich as ours can't go on forever borrowing against the future, leaving a legacy of debt for another generation; that inflation could reduce the standard of living for an entire generation that had no part in the folly; that if young Americans were asked to fight and die for their country it should be for a cause worth winning and they should be allowed to win it as quickly as possible.

It is well for us to be reminded of the hate-filled rhetoric that was spewed forth over such a long period of time about that pleasant, patriotic and courageous man and how uncalled-for it seems now as we look back.

Right now American business and industry are in the deepest trouble they have ever been in in our Nation's entire history. A large percentage of the people in this country today lay all their troubles at the door of business. The word profit is synonymous with evil as with the term "private property" and therefore personal freedom, freedom of choice for everybody, is in danger. Profit, property and freedom are inseparable, you can't have any one of them without the other two.

For a long time now we haven't been taught enough economics in our schools and sometimes I am amazed at all of you, I don't know how you have held out against what has been a consistent program of indoctrination, particularly through our educational system, and how you have avoided the economic illiteracy that is so widespread. The result has been, however, that self-seeking demagogues have been able to take advantage of this---not of you but of those others. Investors, workers and consumers have been divided to the point that we have forgotten we are all vital components of something called free enterprise, totally dependent upon each other. If the public's lack of understanding is not soon corrected the public may soon do great and irreparable harm to itself by demanding more interference than we already have by government.

Government, as you know, in its answers to the problem, is somewhat less than a howling success, particularly when government involves itself in things that are not in its proper province. And we don't have to talk theoretically, We could look, for example, to one of the Iron Curtain countries where government is in complete charge. There is nothing to interfere with its carrying out its dreams of regimentation and regulation. In that country I am mentioning they had a simple holiday problem not too long ago. They issued an edict and this was intended to solve it. It said that because Christmas Eve falls on Thursday, Thursday has been designated a Saturday for work purposes. The factories will be closed all day with the stores open a half-day only. So far that's not too bad, it works out all right, but there was more to the edict. Friday has been designated a Sunday with all factories and stores closed all day. Monday will be Wednesday for work purposes, Wednesday will be a business Friday and Saturday will be Sunday and Sunday will be Monday.

We, of course, say that's a Socialist country, that can't happen here. Well, you have already heard John talk about our own Internal Revenue Code. Let me give you just a few lines from that Internal Revenue Code which is supposed to make your job easier along about April. This is Section 509. It says "for purposes of Paragraph 3 an organization described in Paragraph 2 shall be deemed to include an organization described in Section 501c of Paragraphs 4, 5 and 6, which would be described in Paragraph 2 if it were an organization described in Paragraph 3."

We live in the only country in the World where it takes more intelligence just to figure out your income tax than it does to earn the income.

The essence of the American Revolution was a system that produced a limited government and the ultimate in individual freedom consistent with an orderly society, and free men were released to perform such miracles of invention, construction and production as the World had never seen. One half of all the economic activity in the entire history of mankind has taken place in these two centuries under American auspices. Our system of free enterprise sparkplugged by the hope of economic reward has lifted more burdens from the backs of more people than any other system the world has ever known. Ninety five percent of our families have a minimum daily intake of nutrients, 99 percent have gas or electric appliances in their kitchens, 96 percent of the homes have television, we own 120,000,000 automobiles and trucks and we have shared our wealth more widely among our people than has ever been done in any society. We have more churches, more libraries supported with voluntary contributions, more symphonies, operas, non-profit theaters, and publish more books than all the rest of the World put together.

More than a third of all the young people in the World getting a college education are getting it in America. We have more doctors and hospitals in proportion to population and we have produced most of the major medicines in the last four decades. And still a great many people have lost faith in our economic system and for that matter we have lost faith in ourselves. Organized labor asks of government things which it should be negotiating with management at the bargaining table. Yes, management increasingly asks government for legislation which, in effect, waters down the competition at the marketplace. In the marble halls of government plans go on for ever more tinkering in involvement with our private lives. Our traditional concept of states' rights and local autonomy has been distorted, but much worse the people's relationship with government has been dramatically altered. I think something that illustrates this is a story that appeared in a column in an Eastern newspaper not too long ago. It had to do with a welfare recipient who had a part-time job on a farm. One day he yielded to temptation and stole a smoked ham out of the farmer's smokehouse. He took it to the grocer and sold it to him for \$27. Then he took \$20 of the \$27 and bought \$80 worth of food stamps which he was eligible to do by virtue of being on welfare. Then he took \$29 worth of foodstamps and bought the ham back. He put the ham back in the smokehouse and he bought \$51 worth of groceries. Then, the columnist said, the grocer had made a profit, the farmer had his ham back, the welfare recipient ended up with \$7 in cash and \$51 in groceries, with no one being the loser.

Government programs multiplying like spores of a fungus have brought an inflation that robs our people of their dream of a good life. As the average worker increases his earnings to keep pace with inflation (which he does because in a recent period of years in which the cost of living has gone up 25 percent wages have gone up 35 percent), he moves up

through our progressive tax system and in that same period has had a 65 percent increase in his share of the taxes. It is no wonder that our people are in their season of discontent. A variety of polls are worth a study. For example, the overwhelming majority in America today blames excessive business profits for their discontent. The profits, they estimate, run at about 28 percent. Further down in the poll they are asked what they think they should be and they answer that they think business should be happy with 10 percent. Business would be ecstatic with 10 percent because for the last 25 years profits have run between 4 and 5 percent in the nation as a whole. Another poll was directed at 35,000 students on more than 2,000 campuses and we find that three fourths of the students who responded and a higher percentage of the faculty, blamed American business for every social and economic problem we face. Three fourths of these students firmly believed that the answer lies in complete regimentation of business by government and they also believe that government can do this without endangering individual freedom. And then, in the same poll, 80 percent of them said they also wanted less government interference in their private lives.

One more poll and this one perhaps, more than most, gives a clue to our problem. More Americans than at any previous time in history, 69 percent, are angry about the cost of government and want something done about the present tax burden, but less than one half of them in that poll could name their United States Congressman and those who could, 86 percent of them did not know a single thing he stood for.

Government by the people only works if the people work at it.

Now in this audience I am not going to ask for a show of hands of how many don't know who their Congressman is. But seriously, the business and industrial community must become thoroughly familiar with the governmental process and you can help in this educational process because I think they are ready. I have talked on this same subject in the last 24 hours to an audience of some of the most distinguished business leaders in America and I am not talking about the governmental process, the text book theory of how it is supposed to work. Let me illustrate -- two weeks ago the House of Representatives voted down the federal land planning bill in ^{the} ^{the} ^{the} squeak of 211 to 204. I am pleased to say that our California congressional delegation led the charge and one of the most articulate spokesmen in the fight on the floor is with us here tonight, Congressman John Rousselot. Now there are some people in this country who accepted the land planning bill as an environmental protection bill and there are others -- most of them -- who were not aware that such a bill was even before Congress. The truth is, that bill was a threat to the entire traditional concept of private ownership of land, a threat greater than anything that has ever been proposed in these 200 years and that fact was not understood by some of the Congressmen who voted for it. Indeed, at the Governors' Conference in Seattle some time ago before it was defeated several Congressmen stoutly defended it as nothing more than suggested guidelines for states and local governments to help them in their local zoning and planning. When several of us expressed concern at that Conference that the suggested guidelines would become a federal mandate there were protests that it was not the intent of Congress. Then one Congressman revealed, whether he knew it or not, that our fears were justified. He said "of course you realize that once it is passed we have no way of controlling it when it then goes into a bureau or agency of government that will implement it" and that's what we had been trying to tell them all the time.

All such legislation, John well knows, has to contain a little line that says the agency or bureau entrusted with implementing this program shall make such regulations as are necessary for its implementation. And so we are governed by an ever-increasing bureaucracy made up of people who were never elected to office and can't be removed from office by the voters. Regulations are spawned in the multitudes. Titles alone in the federal registry take almost as many pages as the Encyclopedia Britannica. Even some of our elected representatives who contributed to this situation have now become alarmed. Senator Gaylord Nelson of Wisconsin has declared that government has grown so big the citizen can't deal with the endless red tape and inconsiderate bureaucrats. So, with hope, you think he is going to do something to reduce the size of government? No, he has introduced a measure that is going to create another bureau that will help the citizen find his way through the other bureaus. It will begin with 10 regional boards and will have hundreds of local advisory boards and that's just to start with.

Congresswoman Edith Green I think could fairly be described as a liberal Congresswoman, from Oregon. However, her committee, concerned with education, has been investigating to find out why after more than \$50 billion a year in aid to education from the federal level little Johnny still can't read. So she has described what she found when she started investigating, she said it was "complete chaos administered by a huge administrative apparatus that was operated out of public view and beyond public control." This is where we must begin the fight back if free enterprise and freedom itself is to survive.

Since government began keeping records in 1892 industrial productivity has doubled every 25 years. There is no record of government's productivity and that's too bad because if the federal government could only increase its productivity 3 percent you and I would save \$12 billion a year.

But government goes on spending \$15 billion just to handle the paperwork that it forces on American business. That paperwork costs American business 130,000,000 man hours and \$50 billion a year. A few years ago one leading drug firm had to submit 70 pages of data to the federal drug administration to get a new drug license. Today it takes 70,000 pages of data carried over to the agency by truck and then it takes them more than three years to wade through this and finally give the license. It is very doubtful, and I mean this seriously, if penicillin was discovered today that it could be licensed by the Federal Drug Administration.

Do you remember that fuss a couple of years ago about the cyclamates? You remember the businessmen who had to take those bottles off their shelves, companies that had to take it back, companies literally put out of business? Well now the FDA has admitted they think they acted a little hastily. It is possible it wasn't quite the threat they thought. The entire action was based on an experiment in which 20 rats were fed cyclamates. Three of them developed suspected malignant tumors of the bladder but the 20 rats had been fed an amount of cyclamates that would have required a human being to drink 875 bottles of soft drink a day.

Government subsidizes \$4 billion worth of research but it doesn't know it is being done, how many projects there are or what they are. I can tell you about one of them. It is called the Demography of Happiness and after some time of research they learned that people who earn more are happier than people who earn less. Stan, you can listen to this part, the young are happier than the old, the well are happier than the sick. Now it wasn't a really big project but still it was \$249,000 to find out that it is better to be rich, young and healthy than poor, old and sick.

There is a bill now before Congress that has grown out of the oil shortage. It will give the government, if it passes, the authority to place a public and a government member on the board of every oil company. Now if that passes how long before it spreads to other industries? Of course, the old perennial National Health Service, socialized medicine, is before Congress. Does anyone truly believe that we can socialize the doctor without socializing the patient? The Senate has passed a bill that would require manufacturers of radios that cost \$15 or more to provide those radios with both an FM and AM band; it doesn't matter what the customer wants, that's what he's got to get and from the fertile mind of young Mr. Nader (how come you haven't given him an honorary membership?) has come a measure that has already passed the House and it is now before the Senate. It will create a giant consumer agency with a power to supersede every other regulatory agency in government and with virtually unlimited authority to set standards for everything produced and sold in this country. Supporters of this blatant big brother meddling in our private lives have already picketed and demonstrated in front of the few businesses that have had the temerity to speak out against it. Not only will this consumer protection agency have the power to interfere with the proceedings of virtually every business and government agency in the country. There is one exception, they exempted organized labor from their attentions, but it will have the authority to compel other agencies and individuals to divulge confidential information. It will have the authority to publish such information and it can force business to divulge trade secrets and make those public. Daniel Webster was right when he said "every generation there are those who want to rule well but they mean to rule. They promise to be good masters but they mean to be masters."

May I tell you with all the conviction I possess after these several years' experience, you have only heard the beginning of the campaign to charge business in general with conspiring to bring about material shortages, inflation, unemployment in order to reap windfall profits at the expense of the consumer and the worker. You can expect a barrage of bills, both from the state legislatures and from the Congress, aimed at great controls and more taxes which business will be forced to collect but which the customer will eventually pay in the price of the product. Let me tell you the greatest weakness I think of our resistance to these measures. We still have a tendency when we win one, like the land planning bill, to sit back and say "well, that's over with, we licked that one." The other side has just had a temporary setback, they go around looking for another door that's unlocked. This particular measure, John, I am sure, agrees, will probably turn up as an amendment on some fail-safe bill that everyone wants so badly that they will go ahead and pass it no matter what is hung on to it. But, whatever method they use, be prepared to keep on fighting because it won't go away, nor will any of the other restrictive proposals. John Kenneth *Galbraith* has written the declaration of policy for all who have renounced the free marketplace. In his latest volume "ECONOMICS AND THE PUBLIC PURPOSE" he asserts that the market arrangements of our economy have given us inadequate housing, terrible mass transit, poor health care, etc., etc. and socialism is inevitable. I believe this is the first time that Mr. *Galbraith*, in his talk of the affluent society, has finally come out in his declaration and admitted that socialism is what he has in mind. Now his so-called facts are outrageous fairy tales to justify his zeal for government planning to the 'nth degree. What do we do? Well, first we recognize that we don't have to tell fairy tales. The facts are on the side of free enterprise.

We have a classic case for comparison. We have a great country of great space, of hard-working people. The utopian society that 50 years of complete unbridled socialism brought to the Soviet Union and we could equal it, we would have to tear down three quarters of the homes, rip up 14 out of 15 miles of highways, scrap 90 percent of our automobiles, tear up two thirds of the railroad tracks and then find a capitalist country willing to provide food for our people.

We've got to have the confidence, that the people can understand if they are given access to the facts. Ignorance is the only thing we have to fear, ignorance that permits the modern day populace to gain a following for their philosophy of redistribution. We have to communicate not just with each other, we have to communicate with the people who are the customers and with the people who are the laborers, the workers. There has been too much horizontal communicating in which we talk to each other. We've got to start communicating vertically, breaking into other groups that we are not now reaching. Then we must recognize that an assault on one particular industry is an assault on all. We must help with businessmen and make them understand that they can't sit back and say "that's the oil company they are talking about with that legislation; that doesn't affect me, I've got a shoe factory. We have to make them understand we are all in the same boat together and we wait until it is aimed expressly at just one particular segment before we start fighting back, then we are really in trouble because the ongoing struggle is for survival of the free market system. So far we have been fighting a kind of a defensive, rear guard action. Step by step we have retreated much farther than we know. Too many people blame business for inflation and look to government for the answer. Now that should be reversed. What if we can make more people see that government's deficit spending caused

inflation by creating extra money for which there were no extra goods to match, that inflation cannot be arrested by controlling the price at the end product, it must be moved from the cost of production? Perhaps we can also make them see that inflation cannot be instantly arrested without causing a terrible untold disruption, but it can be controlled over a prescribed period by some common sense actions, including a reduction in government spending.

The policy of redistribution of the output of an economy that's already too small is based on the fallacy that we can eliminate poverty by giving everyone more money, higher wages, bigger welfare checks, pensions and social security and increased unemployment insurance ^{/to} increase the purchasing power. The fact is we can only live better by producing more goods and services for each other. Money is no good if there is nothing there to buy. For too long a time our belief in jobs for everyone as the answer at the same time that we keep negotiating higher pay for a lower output has only contributed to inflation. I have addressed citizens groups like yourselves on a number of occasions, business groups as I did the other day -- yesterday -- and I have urged a more aggressive policy of fighting government harassment, opposing the status and the collectivists who would replace the free market with a planned economy. Taking the case to the public I have suggested a top summit meeting. Let the heads of industry and business in America ask for a meeting with the heads of the communications media to see if they are truly aware that you can't have a free press unless you have a free economy at the same time.

I reiterate all these suggestions but of late I have been wondering if there is not something more that would put us on the offensive. Is it enough to fight the stupidity of the Karl Marx theory by talking the free market theory? Have we neglected the most potent weapon in our arsenal, the use of free enterprise itself in behalf of a broader cross

section of our citizens? We are beset by vexing problems and we can't deny the problems result from government action but to complain as I have been doing here tonight and then wait for the same government that created the problem in the first place to do an about-face and come up with a solution is a little fruitless. Business and the industrial sector nationwide is a pool of genius and talent and managerial expertise that is without limit. What if we could convince that business and industrial leadership of the country, under a kind of noblesse oblige, to set out to find the answers to some of the more threatening problems? You can't lick something with nothing, just to complain that the answer is wrong. If the problem really doesn't exist that the government program was spawned for, all right get rid of the program, but if there really is a problem, and we have many in this country, it isn't enough to say to government "you have passed a bad program to deal with this." But we must go to them and say "we've got a better idea". Take Social Security for a starter, most of them are scared to even mention it, but it is about as potent right now and destructive a time bomb as we have ticking away at the foundations of our free society. More than one half of the taxpayers pay more social security than they do income tax. Peter Summers at the University of California calls it the biggest single roadblock to the security of the American wage earner. When it started the average citizen paid about \$3 for every hundred dollars he could save over and above taxes and the cost of living. Today it is taking \$84 of every \$100 that he can manage to save. If a private insurance company attempted to sell a plan that cost so much and paid so little they would be put in jail. Every American wage earner under 40 now, finally we have reached that group, that group is paying more than twice as much as they can hope to receive. The average worker today is losing some \$200,000 that would be

his if the same amount could be invested in a private plan. As it is, the worker under 40 today is getting the cheapest kind of term insurance at anything from three to five times what would be the normal cost in the private market. He is getting the cheapest and least useful disability insurance and paying more than three times the cost in the outside market. Worse, the ratio of earners to retirees is dropping to the point that one day it can be one on one.

The simple fact is the United States Social Security system is bankrupt. It has been bankrupt for 20 years but this has been concealed by an 800 percent increase in the payroll tax without a matching increase in benefits. Now politicians so far have provided no answers and you can bet that the Social Security bureaucracy is pretending that if it doesn't look the problem will go away. Unfortunately, when the roof falls in it is going to fall on all of us.

Now it would be \$600 billion to guarantee the present promises of social security. Do we wait for disaster or do we work out a plan which guarantees a payment--and this is the important thing---guarantees a payment for all of those who are depending on social security to see them through their non-earning years? At the same time we find a plan that will restore equity to the present-day worker, that under 40 worker today. Some most distinguished economists say we can. They have proposed a plan which would replace the present payroll tax with a system of social security bonds and then pay the existing benefits from a combination of bond revenues and the General Fund, but stop piling up benefits for those who might want to opt out of the program.

We are not taking on a new debt, we already owe the \$600 billion, we would just be legitimizing it by publishing the bonds. Maintain some of mandatory features. For example, require the worker to purchase a certain percentage of social security bonds equal to a percentage of his income

This is just one proposal, I am sure other possibilities exist. In our resistance to what some of see as a creeping socialism we have just theorized about the superiority of capitalism. Have we really made capitalism work to prove these benefits can do everything for everybody better than the promises of the populous of the socialists? All they can offer with their system, if you analyze it, is to take from the haves and give to the have-nots. That doesn't eliminate have-nots, it just changes them around. But capitalism can work to make everyone a "have". Some years ago a top Ford official was showing the late Walter Reuther through the very automated plant in Cleveland, Ohio, and he said to him jokingly, "Walter, you'll have a hard time collecting union dues from these machines" and Walter said "you are going to have more trouble trying to sell automobiles to them." Both of them let it stop right there. There was a very logical answer to that, the logical answer was that the owners of the machines could buy automobiles and if you increase the numbers of owners you increase the number of consumers.

Over hundred years ago Abraham Lincoln signed the Homestead Act. There was a wide distribution of land and they didn't confiscate anyone's already privately owned land. They did not take from those who owned to give to others who did not own. It set the pattern for the American capitalistic system. We need an industrial Homestead Act. There are business leaders today who are exploring this kind of modern homestead plan. They range from government allowing the corporate tax to go directly to the people, that 50 percent of the earnings of the corporations that now is a tax to the government, some of them suggested "why don't you distribute equally and equitably to the people to be used as each individual chooses, rather than having it spent on their behalf by bureaucrats?"

But it goes from that to a more sophisticated scheme that business has been toying with, increasing the worker investment in corporate America. I know that plans have been suggested in the past that all had this flaw, they were based on making the present owners give up some of their ownership to the non-owners. Now this isn't true of the ideas that are being talked today. Very simply these business leaders have come to the realization that it is time to formulate a plan to accelerate the economic growth and production at the same time we broaden the ownership of productive capital. The American dream has always been to have a piece of the action. Income, you know, results from only two things, it can result from capital or it can result from labor. If the worker begins getting his income from both sources at once he has a real stake in increasing production and increasing the output. One such plan is based on financing future expansion in such a way as to create a stock ownership for employees. It does not reduce the holdings of the present owners, nor does it require the employees to divert their own savings into stock purchases. This one plan, and undoubtedly there are alternatives, utilizes an employee stock ownership trust to purchase newly issued stock when a corporation needs new capital for expansion. The trust acquires its funds by borrowing with a guarantee from the corporation, from a commercial bank or other lending institution. Over a ten-year period it is possible for \$500 billion of newly formed capital to be owned by individuals and families who today have little or no hope of acquiring a vested interest in our capitalist system. I could go into more details here and explain these things but I know that a great many men are exploring these now in this country. What better answer could we have to socialism? What an export item on the World market. What argument could a foreign land have against a corporation which made its "have-not" citizens into "haves"?

In short, I am suggesting that we face a choice between government that has grown desperate, embarking on a course that leads to confiscation and redistribution or using the great talent and expertise of the private sector to spread legitimate capital participation in free enterprise to those who now are only property-less employees.

¹⁸⁶⁸
In 1868 Senator Hill said "I do not dread industrial corporations as instruments of power to destroy this country but one corporation we may well all dread; that corporation is the federal government. If this great, ambitious, ever-growing corporation become oppressive who shall check it? If it become unjust who shall trust it? Watch and guard with sleepless dread that corporation which can make all property and rights, all states and people, all liberty and hope its playthings in an hour, its victims forever."

Yesterday I told those distinguished business leaders and I will tell you, even at your youthful age, whatever you do don't risk having to face your children or your children's children some day when they ask "where were you and what were you doing on the day that freedom was lost?"

#

1972 Voter Mandate
Government encroachment -
loss of personal freedom
Inflation
Consumer Protection
National Health Insurance
Welfare
Surplus rebate

REMARKS BY GOVERNOR RONALD REAGAN
Bull Roast, Centerville, Maryland
August 24, 1974

Chairman Cox and Mr. Hofstetter, Senators Bell and Mathias, Congressman Hogan, Mrs. Bauman, National Committee members and you ladies and gentleman, and most of all the man who is being honored here today, Bob Bauman, my very good friend. I am delighted and greatly honored to participate in recognition of a young man I admire very much. As a matter of fact I enjoyed his remarks to the extent that I could have stayed over there all the afternoon and listened if he just wanted to keep on talking. I am most grateful. His kind are all too few in the halls of government, at a time when there is a great need for everything he stands for.

Now, I said I was delighted to be here. I said that in spite of the fact that these last few weeks have not exactly been the easiest time to be making political speeches. Some time ago when I was invited to come here and speak to you I put together what I thought was an appropriate message, then in the swiftly moving events of the day I took another look at it on the plane coming in here and decided it had been written at a time and was now as inappropriate as the captain of the Titanic saying "Never mind all that ice, it's for the party Saturday night

Looking out here at the number of you who are here I can assure you I don't feel like the lady who, after church, had invited a number of her fellow members home for a Sunday dinner and bustled about and got the dinner ready, then as they sat down said to her four-year-old son "Why don't you return thanks?" Bashfully he said "I don't know what to say" and she said "Say what you've heard Mother say". Dutifully he bowed his head and closed his eyes and say "Oh Lord, why did I invite so many people here?" I know that I am speaking to an audience of

Democrats and Republicans and, I hope, some Independents. I don't feel at all out of place because I spent most of my adult life in the Democratic party, then I made a switch, and I think we are brought together here today by some deeply held beliefs that we have in common, beliefs that transcend party labels and beliefs which are the basis of Bob Bauman's political philosophy and that philosophy is closely akin to the hopes and dreams and aspirations of the great majority of the American people. Those hopes and dreams are the issue of the 1974 campaign.

Now there are those who would have it otherwise. Social tinkers who, for forty years, have worked to alter the balance between the various levels of government who succeeded in dramatically distorting the relationship between the people and their government. Pursuing their dream of a government-planned and run Utopia they have preferred that we campaign on something different than we now will be discussing. They have preferred that we campaign on a single issue, an issue of a thing called "Watergate". The men and women who will determine the quality of life in America for ourselves and our children would have been chosen, if they had their way, with no references to where they stood in the issues that confront us. The truth is they wanted no reminder that their planned Utopia had been rejected by the people of this country just two years ago. Never in the lifetime of any of us have the issues in a national campaign been more defined than they were in the election of 1972. Those who had worked in these last four decades to redefine our national purpose we know are the people who hijacked the Democratic Convention in Miami. We sat and watched on television as long-time party stalwarts, members of the Democratic party who had served faithfully true to the principles of Jefferson and Jackson, were suddenly denied participation in their party's council and even barred

at times from entering the hall as delegates. Then in the name of that party we were asked to take the final step into a welfare state. There was, if they had their way, to be a confiscation of and redistribution of the earnings of our people on a scale never before attempted in this land of free enterprise, with government planning of our economy and our private lives. Well, the American people listened and then in overwhelming numbers crossed or ignored party lines, Democrats, Republicans and Independents rejected their invitation to Utopia and voted their reaffirmation of all the basic values on which this system has been built, voted for fiscal responsibility and the right to determine their own destinies. And they repudiated big government growing bigger, deficit spending, higher taxes and the permissiveness which has led to fear of crime in our neighborhoods, in our streets and in our homes. They said "Enough of social tinkering and costly programs which we were promised would solve all the problems of human misery." But the programs always failed and, of course, every time they failed they were followed by more of the same. Only the new programs cost more than the ones that failed before.

Now, this didn't stop them, they thrive on failure, if the programs ever did succeed it would put them out of business. They believe in government for government's sake. Like Dr. Parkinson's rat catcher--- he said that government hires a rat catcher and the first thing you know he becomes a rodent control officer. He has no intention of getting rid of the rats, they have become his stock in trade.

You know, in these eight years that I have been governor I have developed an affinity for the study of the ancient Greek city/state. That all started when I found out that they had a custom that when anybody suggested a new government program he did so with a noose around his neck tied to a limb of a tree and standing on a chair. If they

/approved

of what he suggested they removed the noose and if they didn't they removed the chair. I have had a morbid fascination for the customs of ancient Greece for some time now.

Ours has been a system in this country in which we turned to government only when it was absolutely necessary and our national purpose, our national goal, was to reduce the need for government to the absolute minimum consistent with an orderly society. But that hasn't been the way things have turned in the last several years, in fact in the last few decades. You take in the recent oil shortage we heard persistent clamor for excessive controls, rationing and punitive taxes, when they should have been offering incentives. They looked for scapegoats when they should have been looking for oil. We didn't take their advice but now the long lines at the gas stations are gone. Yes, we have a long-range energy problem but the answer is not what they proposed that government should go into the oil business. You know if they had it might have turned out to be almost as efficient as the Post Office.

Then the Soviet Union recently fired new advanced nuclear missiles down the Pacific range and they are developing a new nuclear submarine. Those same voices tell us that the answer to that is we should cut our defense budget and have more welfare, advocating something called the "new economics". We have been told over recent decades that the deliberately planned rate of inflation each year was necessary to maintain prosperity. For some time it seemed to work but at the same time there were many of us who were warning that inflation is like radio-activity, it's cumulative, it piles up, then one day you find it is not there in control it is out in the open, it's broken loose. Now it is the greatest problem and the greatest threat to our national well being

There is no mystery about inflation. Inflation comes from one cause and one alone. Inflation is caused when government spends more money than government is taking in. Then when somebody proposes raising taxes as a cure for inflation it is like telling a drunk another drink will make him sober.

While I am mentioning taxes, we are hearing a lot of crocodile tears are being shed over the tax structure. We are told it is riddled with loopholes that benefit the well-to-do and penalize the poor. But the present tax structure bears their trademark, not ours. If they really mean they would like to reform it we'd be happy to help and we might begin by simplifying it to the place where the average worker doesn't have to hire legal advice to tell him how much he owes every year. After we have done that we might have a very simple provision of the law that says that any legislator who advocates a spending program has to advocate a tax program to pay for it. We live in the only country in the world where it takes more brains to figure out your income tax than it does to earn the income.

The answer to inflation is a balanced budget and we don't wait for the next one we start by reducing the present level of spending. Balancing the budget is like protecting your virtue, you have to learn to say "No". We have had almost a half century of experiments and we have grown to the place in government that even the office of management and budget in Washington knows how many bureaus, boards and commissions and agencies there are, but all of them have the authority to adopt regulations which have the power of law. The federal registry listing them has almost as many pages as the Encyclopedia Britannica. Washington is the only place in the world where a man can call the OEO and a \$30,000 a year executive will pick up the phone and say "Poverty here".

Small businessmen in America spend 130,000,000 man hours a year filling out government forms. It adds \$30 to \$50 billion to the cost of doing business and that means to the price you pay for the products that are sold. Then government spends between \$15 and \$20 billion finding some place to stack all the paper.

Did you ever hear about that fellow in Washington in an office with acres and acres of desks, one morning a fellow sitting back in the corner with his head in his arm sobbing as if his heart would break? They finally persuaded him to tell what was wrong---it was the Bureau of Indian Affairs---and he said "my Indian died."

There is a consulting chemist in New York who has five employees. He has to fill out 37 reports for 12 different federal forms, 26 sets of data for 9 different state agencies, 25 forms for 12 different city departments and now he has just learned he has to fill out an environmental impact statement, probably having to do with the over-use of paper.

There is a fellow in California who has a business and OSHA jumped on him. They informed him that he has to instal separate men's and women's washrooms for his employees. He only had one employee and he's married to her. At home they sleep in the same bed and use the same bathroom.

Do you remember a couple of years ago when the federal drug administration took out after cyclamates, you know the artificial sweetener, and suddenly merchants found they had to pull all the soft drinks off their shelves and plants closed up business because they couldn't produce these any more and diabetics couldn't get the things they needed? Well, now the federal drug administration has admitted they think they moved too fast. They had conducted an experiment on 20 rats feeding them cyclamates and three of them got suspected bladder

tumors. This was the reason for all the furor and breaking all the bottles of soft drinks. Now we discover that they had been feeding the rats an amount of cyclamate that a human being to equal this would have had to drink 875 bottles of soft drink a day.

The mandate of the people two years ago was against bigger and bigger government, greater and greater costs accompanied by what Cicero called "the arrogance of officialdom". Many candidates seeking office today may pay lip service to reducing government size and the tax burden but don't let them get away with it, pin them down to where they stand on specific measures. Where, for example, do they stand on the Land Use bill? That was halted by a narrow vote in Congress a few weeks ago but you see they never die, they never even fade away, it has already surfaced again wearing a respectable hat of environmental protection. It is, in fact, a threat to the entire traditional concept of private ownership of property. We must make the administration aware that we consider this contrary to the mandate of the people.

The House passed, sometime ago, and now the Senate considers the creation of a giant Consumer Protection Agency with the power to supersede all the other regulatory agencies of government. It would have virtually unlimited authority to set standards for everything produced and sold in this country, plus the power to compel other agencies and individuals in government to divulge confidential information about the citizens and it can force businesses to divulge their trade secrets and it will have the authority to publish those and make them public. Somehow consumerism---it seems a little insulting to us that the same demagogues who tell us that we are too stupid to be able to buy a box of breakfast cereal by ourselves at the same time think we have the intelligence to pick them to run our lives for us and there we won't make any mistakes.

There is another bill in Congress. This one was born of the energy shortage. It would allow the government to appoint two board members to every oil company, one representing the public and one representing government. Does anyone believe that it would stop there with just one industry or would we set a pattern of government involvement and interference in the management of all business?

Then there is the old perennial national health insurance. Now there is no one denies that everyone in this country should be entitled to medical care when it is needed but we have a right to ask if anyone has established that there is a need for this kind of a program. We live in the one country in the world where if you have to get sick this is the place to be. We have more doctors and hospitals in proportion to population than any other country in the world. In England where they have had nationalized health insurance for many years, a third of their medical graduates leave the country and find some place else to practice. Most of the major medical discoveries have been made here in this country. This is the only country where 98 percent of the babies are born in hospitals. In most of those other countries a woman can only have a baby in a hospital if it is her first baby or if the doctor says she is going to have some problem in childbirth, the rest are born without even a doctor in attendance, only a midwife. One hundred and eighty two million Americans have some kind of health insurance, 19 million are treated by Medicare, 20 million by Medicaid, 3 million get their medical care from the military. If you add them up this is more than the number of people in the country which means there is a little duplication and some are getting service from more than one. Now, there is no question that some citizens still fall through the cracks of all these programs. For example, we need a program to protect against catastrophic illness or injury, that kind that you read about

occasionally where someone is struck down and it is going to go on for years for some member of the family and it averages costing in this country, when it happens, \$25 thousand a year. We need protection that even the private insurance industry cannot provide for this but it only happens to 100,000 people a year in this country. Surely we can solve that problem without a compulsory health insurance program that forces 200 million people to participate. We call it, and I refer to it, as National Health Insurance---it is socialized medicine---and you can't socialize the doctor without socializing the patient.

In 1972 the people repudiated the proposed family assistance plan which would put millions of self-supporting citizens on a government dole for the first time in our history. The people repudiated it but the idea is alive and it is well in the marble halls of government and can be expected to surface any day now. It will be offered as welfare reform. It is welfare expansion at the expense of the working men and women of this country. May I suggest that there is a successful welfare reform that is already being implemented and functioning at considerable savings to the taxpayers. Bob Bauman very kindly referred to one of our experiences in California and I would like to tell about it.

I inherited a government that had been such a little brother to big brother in Washington that every time Washington sneezed the "Gesundeit" was heard in Sacramento. We were spending a million dollars a day more than we were taking in, hiring 5,000 new employees every year and adding them to the government payroll. And welfare---we were the welfare capitol of the world, we were increasing our welfare burden 40,000 cases a month. We set out to reform welfare, we had a task force work for almost a year. They came in with a set of proposals for the most comprehensive reform ever attempted in that area, in that field.

Our legislature refused to even allow me to present the proposed reforms to them. That was like banning a book in Boston---I took it to the public---everybody wanted to hear the speech that they didn't want to hear. So finally public opinion prevailed, people's government works if the people work at it. So we finally got them. In the fight, however, they told us it would fail, it would increase the caseload, it would dump the burden on the counties and the property taxes would go up and we would end the year with a \$700 million deficit, the truly deserving would starve in the streets, and other than that they couldn't find much wrong with it. Well, it has been three years and five months since we started implementing the reform. We are no longer increasing at 40,000 a month, we have almost 400,000 fewer people on welfare than we had just three years ago.

In these three years--property tax increase--40 of our 58 counties have reduced property taxes for two years in a row. The taxpayers have been saved almost \$2 billion and we have been able to raise welfare grants for those who truly need them by 41 percent. I think you would be happy to know that Cap Weinberger, the Secretary of Health, Education and Welfare in Washington, has taken some of our people to Washington to implement the same programs. They are travelling around persuading other states to put these reforms into effect and last year the result, for the first time in the history of welfare, the caseload nationally went down. Forty seven percent of the decline was in California and the rest was in those states which have already implemented those reforms. Every point was resisted, in spite of the success efforts ranging from legal action to legislation continued to be made trying to cancel out every phase of those reforms. As a matter of fact, one of our reforms was an experiment. We got a waiver from the federal government that we could make able-bodied welfare recipients in 35 of our 58 counties

report and work for the community for their welfare grant. They have legislation today at which they are trying to cancel that---calling it slave labor. The first year, or last year, 57,000 of those people through that system were put into private enterprise jobs. This year 85,000 welfare recipients will find private enterprise jobs in California as a result of the program.

I forgot about that \$700 million deficit at the end of the year. It turned out to be a \$850 million surplus and last year we returned it to the people in a one-time tax rebate. That wasn't as easy as it sounds, one Senator told us that he considered that an unnecessary expenditure of public funds. Giving back that much money in the face of a hostile legislature is a little like getting between the hog and the bucket, you get buffeted about a bit.

Seriously, we have been through some traumatic experiences for more than a year and a half. In recent days we have seen a transfer of authority unprecedented in our nation's history and yet it took place with such orderliness that it must stand as a miracle in the eyes of the world. A new President sits in the Oval Office, we have had a change of administration but one thing remains the same---government in our land is by the consent of the people and the people, I believe, have given the government a mandate which they expect to be implemented and enforced. The voice of the doomcriers has been loud in our land lately, trying to shake our faith in our ability to govern ourselves. Our sons and daughters in too many classrooms throughout the country have been told that ours is a sick society. Well, a sick society couldn't produce the men who set foot on the moon or those other men who returned unbroken and proud after years of savage torture and captivity in Vietnam.

It is time some voices were raised replying to the doom and gloom criers. If you double our present troubles we are still better off than any other people on earth. We live better and have more freedom. With our material blessings has come compassion among our people unmatched anywhere, we have shared our wealth more widely among our people than in any other society ever known in the history of mankind. We have more churches, more libraries, we support with voluntary contributions, more symphonies, more operas and non-profit theaters, and have published more books than all the rest of the world put together. One third of all the young people in the world who are getting a college education are getting it in the United States and all of this is in spite of and not because of government social tinkering over the last four decades.

Still Americans are in their time of discontent. Why not? Government is taking 45 cents out of each dollar of income. The good life we have earned and deserved now seems just out of reach and not through the doing of any of our people. The government and the nation we have all supported so loyally seems somehow to only know of our existence at taxpaying time. We have heard much in these last few months of special interest groups seeking special attention from government for their particular problem. I would like to talk about a special interest group--one special interest group that hasn't had enough representation in government---made up of a cross-section of Americans of every political persuasion, every ethnic background, farmers, city folks, the shop keepers and workers, the great host of unsung heroes who get up in the morning send the kids to school and go to work, pay their bills, support their church and charity and ask nothing of freedom but freedom itself and very little of government except to be left alone.

You only have to look around at each other and you are looking at that special interest group. Demagogues tell them that they can only have a bigger slice of the pie by reducing someone else's slice. I think they need representatives in government like Bob Bauman who know we can all have a bigger slice if government will get out of the way and let the free enterprise system produce a bigger pie.

More than a hundred years ago a Frenchman came to this country and for years after he wrote books. His name was de Tocqueville and I guess every speaker quotes him from some time or the other but he said something that is pretty pertinent to us right now after one of his visits to America. He said "the political parties which I style great are those which cling to principles more than to consequences, to general and not to special cases, to ideas and not to men." I think we have come to one of those moments in history when party labels are less important than the preservation of the philosophical revolution that took place in this land 200 years ago. There have been other revolutions but they just exchanged one set of rulers for another. Ours established the preeminence of the individual for the first time in the world's history, guaranteed freedom of choice and the right of a man to first call on the fruit of his toil and the disposition of his property. We have been warned time after time to be on guard against government. It was said most eloquently back in 1878 by Senator Benjamin Hill. He said "I do not dread industrial corporations as the instruments of power to destroy this country but one corporation we may all dread--- that corporation is the federal government. If this great ambitious, ever-growing corporation become oppressive who shall check it? If it become unjust who shall trust it? Watch and guard with sleepless dread that corporation which can make all property and the rights of all states and people, all liberty and hope, its plaything in an hour, its

victims forever."

This is the task that lies before us. We, ourselves, have got to stop asking things of government that government was never intended to deliver. We have got to start saying again to government "we want the control of our own destiny and our own lives and in order to do that we have to elect men such as those sitting on this platform, women such as those who are here, Bob Bauman, who have that philosophy and who have gone not to empire-build and seek power and build a great government, but to preserve this system of government by the people.

Thank you very much.

#

TRANSCRIPT OF SPEECH BY GOVERNOR RONALD REAGAN

.....Alabama Congressman Jack Edwards' Fundraiser,
September 30, 1974, Mobile, Alabama

If you're wondering why I've come to campaign for a congressman in Alabama, it's because this particular Californian believes that the size, the power, and the cost of the federal government must be reduced for the sake of the nation, and Congressmen like Jack Edwards give us a better chance for having that happen.

Of course I have to say, Jack, that sometimes there is a bright side to everything, and maybe government's extravagance has a bright side. Can you imagine how miserable we would be if we were getting all the government we're paying for.

I have wondered, though, at times what government would really be like if they had to do business on a satisfaction or your money back guarantee. But Washington, you know, is the only place in the world where you can pick up a telephone, call the Office of Economic Opportunity, and a fellow earning \$30,000 a year will pick up the phone at the other end and say, "Poverty, here."

We've been bludgeoned for about a year and a half now with that thing called Watergate. We've heard it, and heard it and heard it. And the result has been that a great many people are turned off on public affairs, on public life and politics. And they're not here tonight. You're here because you're not turned off. But there are a lot of people out there that have to be talked to---people who, I don't say they're angry or disgusted or anything of the kind---I think that what has happened is a kind of emotional drain. They've just heard politics for a year and a half, to the point that they are just satiated and want nothing to do with it. They don't^{want to}/be involved. There is no way for them not to be involved. And therefore those of you who are^{and} here, and those of you who still care/are involved must communicate. You must go out...everyone of you knows someone, I'm sure--an acquaintance--who has said, "Not me anymore; I've had it." But they have to be faced and you have to convince them that won't work. Now, communication requires not only a willing listener, but the person doing the communicating has to know what they're saying and have a pretty direct message to be able to succeed.

I heard a story about that kind of communication recently from a friend of mine---Danny Villanueva. He used to place kick for the Los Angeles Rams and later, the Dallas Cowboys. And one night he told me he was having dinner with a young fellow and his wife---the fellow played baseball with the Dodgers. He was over at their house--a young couple--they had a little baby--the young wife bustling about getting the dinner ready. The baby started to cry, and she said to her husband, "Change the baby." And he said, "What do you mean, change the baby? I'm a ballplayer; that's not my line of work." She turned around, put her hands on her hips, and she communicated. She said, "Look, buster, you lay the diaper out like a diamond, put second base on home plate, put the baby's bottom on the pitcher's mound, hook up first and third, slide home underneath, and if it starts to rain, the game aint called; you start all over again."

But you who are here are still working at government by the people. And you have to seek out those others I've talked about who say they're just going to stand by and not get involved. There is no way not to be involved. Either the people run politics, or the politicians are going to run the people.

Now there are those in this land who had counted on avoiding the issues in this campaign. They were going to run on that thing called Watergate, probably because they know that the issues in this campaign of 1974 are the same issues we had two years ago, in 1972, and there are people in this country who didn't want us to be reminded of that fact. Two years ago the American people faced a very great philosophical choice. Never in the memory of any one of us in the room have the issues in a political campaign been more clearly defined than they were, and never have Americans, in such overwhelming numbers, ignored Party line and registered their belief in a political philosophy. The score was 49 states to 1. And I don't know what the political science books say, but that's a mandate in anyone's language.

For 40 years we've been having social tinkering that's distorted the balance between the various levels of government, and worse than that, the very relationship of the people to their government. And the people delivered a mandate that was clear and unmistakable. It was a mandate that many in Congress seem to have ignored. They go right on with the plans to continue confiscating and redistributing the people's earnings---perpetuating the economic panaceas that stretch

all the way back in an unbroken parade of failures from the Great Society back to the New Deal. Now there was no faulting the motive of the people that produced those panaceas. They really intended to solve the problems of human misery. But each time one of their programs failed, it was followed by a bigger and more costly failure, and an energetic and fiercely independent America has come dangerously close to being the deadly, dull, docile welfare state. The people voted their disapproval of this, opting for a return to the basic values on which this nation has grown to greatness.

Now I joked a moment ago about Democrats. But let me be serious, because I believe we're in one of those moments in history when philosophy is more important than Party label. Millions of patriotic Democrats made it plain two years ago, and today these Democrats must realize, and if they don't they must be made to realize, that they are totally out of step with those who highjacked their Party Convention in Miami, and those who highjacked that convention are still in the leadership position in control of that party. That leadership is determined to take that Party down the road where the true Jeffersonian Democrat cannot follow and remain true to his principles. I think I have some idea of where I speak because most of my adult life I was a Democrat until I could no longer follow the course of that Party's leadership. This was evident in the economic summit in Washington a few days ago. We heard scornfully how leaders of the Senate and the House, or we didn't hear scornfully, they scornfully rejected the idea of a balanced budget, of reduced federal spending. They called it the Old Time Religion economics and they said it wouldn't work. Well how do they know. For 40 out of the last 44 years they've been experimenting with something they called the New Economics which has brought us the inflation we have today and which threatens the very existence of our free enterprise system. The Old Time Religion economics, and, yes, the spiritual Old Time Religion are the foundations of this nation and we'd better get back to them darn quick before we find ourselves socially reformed right into the dust bin of history along with all those other civilizations that failed in the past.

But these people, of that McGovernite philosophy, fail to recognize they should be cutting federal taxes, they should be cutting federal spending, they should be cutting the bureaucracy, and, yes, they should be cutting their own extravagances. You know, Tom Curtis, one of your colleagues, Jack, said just a few weeks ago back in Missouri, that he thought the Congress ought to cut its own salary until they balance the budget, and then the salary could go back up to where it was supposed to be. Well, with Watergate gone as an issue, our opponents, of course, must face us on the regular issues, and naturally they've seized upon the one that is the number one problem facing the nation today---inflation. And suddenly they would have us believe that it's our fault, that suddenly we've just brought this about by magic in the last few years. Well this is an easily-sold falsehood; it is not the truth. Inflation is caused by one thing and one thing alone. Inflation comes when government spends more money than government takes in. Now, when government does this, government has to borrow and thus it competes with the private borrowers for the available capital. And right now government is choking off the flow of capital that is essential to the construction industry, to people who would like to build homes, to business and industry which needs capital to expand, and to provide jobs for our people. The interest on the national debt is already \$30 billion a year. And recently they voted to extend the debt limit, and to spend and to borrow more.

Now, there's no great secret about balancing a budget. Your congressman knows how to do it. Balancing a budget is like protecting your virtue; you have to learn to say "no". Then when we've balanced the present budget we must start on the budget for '76, and for that one, we should aim at a surplus so that we can start making payments on that national debt.

Who can do this. The Democratic leadership, the present leadership that I've just been speaking about? Well they've had a majority in both houses of the Congress for 40 of these 44 years---the last 20 years uninterrupted, and today when they tell us that they have the answer and that we don't have the answer, what's to stop them from putting into effect their answer. There isn't anything we could do to stop them if at any time they wanted to solve any of these problems.

But in all these years they have practiced a policy, and this is what seems to me very arrogant---that today when they would blame someone else for inflation, they think that our memories are so short that we're not going to recall that all these years they have deliberately planned an annual inflation rate telling us that it was necessary to maintain prosperity. And in these same years, those of us who have to bear that term "conservative" to describe our philosophy have said it won't work---that inflation is like radioactivity; it's cumulative. It piles up in the body and pretty soon it's out of control, and the patient is very sick, indeed. And today, our body politic is very sick indeed. But they call this obstructionism.

Let me give you a comparison between two periods in our recent history. Back in the New Deal days, faced with a Depression, but practicing the planned economy, the new economics, no fault with the intention of trying to do good, between 1932 and 1937 the annual inflation rate was $7\frac{1}{2}$ percent, and by 1938, there were 19 percent of the work force of this nation unemployed. Then we had a term when Dwight David Eisenhower became president. For one brief two-year period he had a Congress in both Houses of his own persuasion. Federal employment was reduced by 10 percent; the inflation rate was less than one-half of one percent. Unemployment was less than four percent and real wages were going up nine times as fast as the increase in the cost of living. And yet today there are those who will tell us that we must have a tax increase in order to cure inflation. That's like telling a drunk another drink will sober him up. The same political double-talk applies to the same campaign year crocodile tears were shed over the tax structure--that they've just discovered is riddled with loopholes benefitting the rich at the expense of the poor. Well, who could stop them from changing it if they wanted to. As a matter of fact we might like to help them. The first suggestion that I would make would be to make the income tax so simple that a working man wouldn't have to hire legal help every year to tell him how much he owes the government. Another very simple improvement might be that any legislator who proposes a spending measure has to propose a tax bill at the same time to pay for it. And how complicated would it be to take our progressive tax system and adjust the various surtax brackets to the Cost of Living Index so that when a working man gets an increase that only keeps pace with the cost of living, he doesn't move up through a couple of tax brackets to find

out he's worse off than he was before he got the raise. They won't do this, of course. The record proves it. The only way we're going to get that kind of fiscal sanity is when you return^a/congressman like Jack Edwards to Washington, and when throughout the rest of the country we can send others like him until we have a majority there that will do what we know is right.

What we are hearing now are voices that want more and more government. I have become a student of history and I have been very fascinated with the story of an ancient city-state in Greece. They had a custom that when anyone proposed a government program, he did so with a noose around his neck tied to the limb of a tree standing on a chair. If they liked his proposal, they removed the noose; if they didn't, they removed the chair. And I have developed a morbid fascination with the customs of ancient Greece.

Our government has grown to where not even the Office of Management and Budget knows how many bureaus, boards, commissions and agencies there are. But all of them have the power to make regulations, having the full authority of law. The Federal Registry which lists these regulations has almost as many pages as the Encyclopedia Britannica. Small businessmen, and there will be heads nodding yes in the room when I say this, in America spend a total of 130 million man-hours a year filling out government-required paperwork. It adds \$50 billion to the cost of doing business, all of which turns up in the price of the product, and then the government spends \$15 billion a year finding a place to store all that paper. You take the Interstate Commerce Commission. In 85 years it has accumulated 43 trillion railroad rate rulings with no index. I submit that no one can make a case that the Interstate Commerce Commission is necessary and should remain in existence. Indeed, the Congress should take a good look at any number of agencies whose excessive regulations harass business and industry and keep them from expanding to provide the goods and the services our people need, as well as the jobs.

Oh my, what happens with government and those regulations. We have a businessman in California--small businessman--they walked in on him one day; they told him he had to suddenly install separate men's and women's washrooms for his employees. He only has one employee. And at home they sleep in the same bed and use the same bathroom---they're married.

Do you remember that cyclamate scandal. A few years ago suddenly cyclamates were bad for us---the artificial sweetener in the soft drinks. Millions of dollars of soft drinks were pulled off the shelves, and thrown into the gutter.....millions of dollars of loss for the business community because they were going to be dangerous to our health. Never mind the people with diabetic problems who required artificial sweeteners. Now the Federal Drug Administration sort of quietly has just eased out the word that they might have acted a little hastily. It seems that they were feeding 20 rats cyclamates. Three of them developed tumors suspected of being malignant. But the amount of cyclamates they were being fed would be the equivalent of a human being drinking 875 bottles of that soft drink a day. I submit that without the cyclamates, drinking 875 bottles of soft drink a day is dangerous to your health.

They've got an agency in Washington---a Bureau of Indian Affairs. It's like so many of those others; they have acres and acres of desks, rows and rows of people sitting at all the desks. One day they came in and saw a fellow sitting way back in the corner at his desk, sitting there with his head down on his arms, sobbing as if his heart would break. They finally persuaded him to tell them what was wrong. He said, "My Indian died."

The mandate of the American people two years was against bigger and bigger government and greater and greater costs, accompanied by what Cicero called the Arrogance of Officialdom. Now many candidates today pay lip service to reducing government size, and the tax burden, and there again, all those things, too. Well don't let them get away with it. Make those who would serve in high place state clearly where they stand philosophically, and what answers they would propose for the great problems besetting us. How they feel about Watergate isn't good enough when we're choosing people who will be making decisions that affect our lives and the lives of our children for a great many years to come. You know the record of your congressman; you don't have to listen to promises and wonder whether they will be kept. His record is sound, conservative principles, and efforts to reduce federal spending are up there for everyone to see. He stands for extending personal freedom,

for curbing inflation, and for easing the tax burden. He would strengthen the free enterprise system and lessen the power of government, and as you have just been told, he has received for the fifth time in a row that watch-dog-of-the-treasury award which means he has succeeded in fighting against the increased cost of government.

Your congressman was very kind to me in his introduction, in telling some of the things that we've done in California. I'll refer to them again simply because I think we should know that this system that we've talked about--this conservatism that we believe in--does work. When I took over, I followed an administration that had been a little brother to big brother in Washington for so long that everytime Washington sneezed, the gesundheit was heard in Sacramento. The state was spending a million dollars a day more than it was taking in. It was insolvent and on the brink of bankruptcy. They were hiring, and had been hiring for a number of years, more than 5,000 new employees a year, adding them to the state payroll. We were the welfare capital of the world, as Jack told you. Our caseload was soon going up at a rate of 40,000 additional people a month. By January, when these eight years come to an end, there will be the same number of employees there were eight years ago, even though some departments have had a 66 percent workload increase because of our growth in population. The governor, whoever he is when he takes office, will be the first governor in 22 years to inherit a balanced budget and a \$400 million surplus. Jack told you about the welfare and correcting that welfare was a little harder. We had a few frustrating years of making efforts to correct it, and finally we got another citizens' committee, put them to work to dig into it and find out what we could do when they came back with a recommendation for the most comprehensive reforms ever attempted. The democratic leadership in the Legislature, similar to that other leadership I've been talking about, refused in an unprecedented act to allow the Governor to appear before a joint session and even present the program for their consideration. So we went over their heads to the people. And when the people heard our story, they proved that government by the people works if the people work at it. Public opinion was built up to where they capitulated, but it wasn't easy. They put up quite a fight. They told us the plan wouldn't work; the caseload would increase; it would dump the burden on the counties; it would increase the local property taxes; the needy would starve in the streets; and we would have a \$700 million deficit. Outside of that, they couldn't

find much wrong with what we wanted to do.

Well, that was just about 3½ years ago, and as Jack told you, yes, the welfare rolls are no longer increasing by that great amount; they're still decreasing and we do have those 400,000 fewer people. He told you also that the property taxes didn't go up; they've been going down for two years in a row. And statewide the taxpayers did save that vast sum of money. But we increased the grants to the truly needy by 41 percent. Cap Weinberger, the secretary of HEW in Washington, has taken some of our personnel there, and they're now going around the country showing other states how to implement the same kind of reforms, and last year, for the first time in the history of welfare, the national caseload went down also. It went down in those states that have implemented the reforms.

But the battle isn't over. They constantly introduce legislation now, and even though it's been passed--legislation to whittle away/to eliminate one by one the reforms we passed. One of our reforms was an experiment. We had to get federal permission. They wouldn't let us do a statewide experiment but they gave us the right to take 35 of our counties--we had to negotiate for that--we got 35 counties in which we were allowed to get the counties and the cities and the villages and the communities to come up with useful work projects for the communities that were not now being performed. And then we were permitted to make able-bodied welfare recipients report and work at those community work projects in return for their welfare grants.

Last year in California we placed 76,000 welfare recipients into private industry jobs and 47,000 of them found their way into those private industry jobs by way of that community work project. And yet last week, I had to veto a bill that would have cancelled this program out charging that it was unjust and slave labor. Oh yes, the \$700 million deficit. That turned out to be an \$850 million surplus and we gave it back to the people in a one-time tax rebate.

Now that isn't as easy as Jack and I have made it sound. When you approach the Legislature and suggest giving back \$850 million to the taxpayers, that is like getting between the hog and the bucket---one gets buffeted about a bit. One senator said to me he considered giving the money back an unnecessary expenditure of public funds. But I will give them one thing; they never rest. You know, we make a fatal mistake if we think when we win a victory of this kind that it's permanent. It's like carrying a basket of kittens. As fast as you push the head of one

of them down when he's trying to get out, there are two more over here, if you've ever had that experience.

We appointed a task force a year ago to look into our own welfare reforms to see if there was anything else we had missed. And they found out something else. They discovered a new target that was as out of control today as welfare was a few years ago---food stamps. They have found fraud, abuse, administrative confusion, and counterfeiting. And like so many other free(?) goodies, it started out as a legitimate idea. It was to distribute an agricultural surplus to the needy. There were 367,000 people then in the nation who were getting these food stamps to the cost of \$26 million. By next year, 16,000,000 will be getting them to the cost of \$4 billion. By 1977, one out of four Americans--60,000,000--will be eligible for food stamps, at what cost we can only guess because the cost increases several times faster than the increase in numbers.

What do you say to a man who calls you from another state and tells you that he earns \$100,000 a year, is sending his son to college in California and what do we mean by giving his son food stamps. And we have to tell him, that if his son asked for them under the regulations, we can't refuse him. What do you say when you find out that a young lady avoids the work requirement by being a half-time student at one of our colleges and thus she's eligible for food stamps; she's studying to be a witch. We called and checked to find out, and they said, "Yep, so she's a witch on food stamps now."

Most of the recommendations that we've made will have to be undertaken at the federal level, and I must say, that our conservative legislators in Washington are prepared and are preparing legislation right now to do this. The program first of all should be moved from the Agriculture Department to HEW because it is a welfare program, and Earl Butz agrees with this. The eligibility rules should be tightened so that students supported by their parents aren't included. There should be a minimum age requirement because believe it or not we have found this is an actual fact---youngsters, running away from home, join communes and then the government subsidizes them by providing food stamps. Strikers are receiving food stamps which puts government on one side of a labor dispute when government should be a neutral referee, and we think that should be prevented in the future.

And there must be greater protection against counterfeiting, or even stealing. They are as negotiable as currency. And right now they're delivered in a manner as if they're wastepaper. But, also, in Los Angeles just recently, we uncovered a multi-million dollar counterfeiting ring---counterfeiting not money, but food stamps.

Our congressional delegation, as I say, is enthusiastic about this. Now I know one thing. A lot of taxpaying citizens are tired of seeing an able-bodied fellow, well-dressed and seemingly alright, standing in the checkout line of a supermarket ahead of them buying T-bone steaks with food stamps, and they're wondering/after they pay ^{whether} their taxes they can afford hamburger.

You know, we've heard much in this last horrendous year and a half about special interest groups seeking special attention from government. Well, I'd like to call your attention to one special interest group that hasn't had enough attention from government or enough representation in government for too long a time. It's made up of a cross-section of Americans of every political persuasion, of every religion, of every race, of every ethnic background. They're farmers and city folk; they're workers and shopkeepers, they're a great host of people that some of the elite would like to refer to as the masses of the common man. I prefer to think of them as a very uncommon group of men and women---unsung heroes who get up in the morning and send the kids to school, who go to work, pay their bills, support their church and charity. They ask nothing of freedom but freedom itself and very little of government except to be safe in their homes and on their streets.

Now, Jack Edwards is one that does represent that ^{great} group of unsung heroes, and he knows that without them this whole system of ours would long since come unglued. Right now they're in their time of discontent, and why not. Government only seems to know of their existence at tax collecting time and it's taking 45 cents out of every dollar that the citizen earns. The good life that they've worked for and deserve seems to be just out of reach. Capitalizing on their discontent are political demagogues, crying gloom and doom, shaking their faith in themselves and in this free system of ours. In all too many classrooms throughout the nation, our sons and daughters are being told that ours is a sick society, that it must be pulled down and rebuilt from the ground up. Appealing to the worst in us, the demagogues tell us that we can have a

bigger slice of the pie only by taking away someone else's slice. Well, it's time to answer the doomcriers and to silence the demagogues with the facts, and the facts are on our side. A sick society couldn't produce the men that have been put on the moon in these last few years. A sick society did not produce those other men who returned to us a year and a half ago after years of savage torture in captivity in Vietnam, and stepped off those planes unbroken, proud, blessing their country and their God. And we should be telling the demagogues right now we can all have a bigger slice of pie if government will get out of the way and let the private enterprise system build a bigger pie.

But what our people need to be told, also, today is: double our troubles and we're still better off than any people anywhere else on earth. We have more freedom; we have more material possessions; we live better; and with our material blessings has come a compassion that is unequalled by any other people in the world. We've shared our wealth more widely among our people than any society in the history of mankind. We have more churches, more libraries, we support with voluntary contributions more symphonies, more operas, more non-profit theaters, and publish more books than all the rest of the world put together. One-third of the young people who are getting a college education in the world are getting it in the United States, and I submit that all of this is in spite of and not because of the social tinkering that's been going on for the last four decades.

Now we can restore our people's faith in their own capacity for greatness. We can convince our sons and daughters of how much there is to really love in this land of ours. I think we have come to one of those moments, as I said before, when history would reveal that philosophy is more important than Party labels. We saw this a few weeks ago when your Alabama senator, James Allen, led the fight against a bill called the Consumer Protection Plan which was an all-out assault on our concept of private enterprise. But with the Democratic Party today in the hands of those that hijacked that convention two years ago, I think we, as Republicans, must recognize that we are the vehicle; we are the ones who can raise the banner around which all Americans--Democrats, Republicans and Independents who want a free America--can rally. And to do this, we

have to counter some false imagery that's been created by a great many of the radical Left in our midst that we're the party of the rich, that we cater to powerful interests who seek special favors of government. And here again, the truth is our weapon. For more than a quarter of a century we've been unable to equal our opponents in campaign spending. Seventy-five percent of our contributions come in gifts of \$100 or less, and we outnumber our opponents five to one in that kind of small contributor. But you say, well that couldn't be true in 1972; we've heard all about that and all the spending. Well, it's true that we did spend on Republican candidates, on radio and television alone, \$20 million in the '72 campaign. Our opponents spent \$34 million. Then there are those dairy contributions---\$577 thousand to Republican candidates, \$613 thousand to Democratic candidates. I've never been able to figure out why a rich Republican is a fat cat and a rich Democrat is a public-spirited philanthropist.

But you know, there is a man in our land today who has called for a veto-proof Congress on behalf of the people he claims to represent. He already claims that it is reported that he owns 230 congressmen and 57 senators--a clear majority in both houses. And now he's willing to spend tens and tens of millions of dollars to achieve a two-thirds majority so that not even a presidential veto can stop him from getting what he believes is best for the people of the United States. Well, I don't believe that even the rank and file union membership of this country wants one of their leaders or anyone else in this country to have that kind of control over the government of the people of America.

The record proves that your candidate isn't in anyone's pocket. He represents this district; he represents his state, and the reason the Californian is here is because in so doing, he represents this country the way it should be represented. And I hope and trust that he will be back in Congress for a long time to come.

I suppose I could have summed all of this up in just one little statement that was made by a Senator Hill in 1878. What it's really all about and what the issue of this election is all about. He said, "I do not dread industrial corporations as instruments of power to destroy this country. But there is one corporation which we may all well dread---that corporation is the federal government. If this great,

ambitious, ever-growing corporation become oppressive, who shall check it. If it become unjust, who shall trust it. Watch and guard with sleepless dread that corporation which can make all property and the rights of all states, people and all liberty and hope its plaything in an hour, its victims forever."

Ladies and gentlemen, I must tell you we are much closer to seeing a drastic change at what we have termed a free country than any of us I think realize. It is later than we think. And so I say to all of you: please communicate, please talk to those others who may think they're going to sit out this election because it won't make very much difference. Make people's government work. Send your congressman back there and then do all you can to elect these other candidates to see that the philosophy that we believe in and that has brought us here tonight is the philosophy that guides America in the future. Thank you very much.

#

SPEECH BY GOVERNOR RONALD ALDAN
CIVIC AUDITORIUM
ALBUQUERQUE, NEW MEXICO
APRIL 9, 1966

"GOVERNOR CARGO, REVEREND CLERGY, MY FELLOW GUESTS UP HERE ON THE PLATFORM WHO HAVE NOW JUST LEARNED THE TRUTH, THAT THE HARDEST SCENE TO PLAY IN SHOW BUSINESS IS AN EATING SCENE (LAUGHTER). YOU HAVE WARMED MY HEART, AND I CAN'T TELL YOU HOW GRATEFUL I AM FOR THIS WARM WELCOME AND FOR YOUR KIND WORDS. I KNOW SOMETHING OF WHAT IT COST YOU TO COME HERE AND HAVE THIS LUNCH. THE ONLY THING I CAN SAY ABOUT IT, IN THE WAY OF ENCOURAGEMENT, IS IF WE DON'T WIN, THAT'S GOING TO BE THE REGULAR PRICE FOR A BOX LUNCH. (LAUGHTER AND APPLAUSE)

BY, DAVE, WHEN YOU SAID THAT I WAS A PROBLEM SOLVER, OF COURSE, THAT'S ONE THING I GOT A LOT OF PRACTICE LATELY. I WAS FUMPLING THROUGH THE PAPERS ON THE DESK ONE DAY, I THOUGHT THERE OUGHT TO BE A LETTER OF RESIGNATION IN THERE SOME PLACE. SOMEBODY SAID TO ME, 'CHEER UP, THINGS COULD BE WORSE', SO I CHEERED UP, AND SURE ENOUGH, THEY GOT WORSE. (LAUGHTER)

THERE IS A FELLOW ON THE RADIO IN SACRAMENTO, I DON'T KNOW WHO HE IS, BUT THE OTHER MORNING I HEARD HIM ON THE CAR RADIO, AND HE SAID SOMETHING AND I'LL LOVE HIM FOREVER. HE SAID 'EVERY MAN SHOULD TAKE A WIFE, BECAUSE SOONER OR LATER SOMETHING IS BOUND TO HAPPEN THAT YOU CAN'T BLAME ON THE GOVERNOR'. (LAUGHTER) I DON'T MEAN TO SOUND LIKE I AM COMPLAINING.

I KNOW THIS MUST BE TRUE OF YOU, THE LETTERS THAT MEAN THE MOST OF ALL, ARE THE ONES FROM THE KIDS, AND THEY COME IN, AND THERE WAS ONE THE OTHER DAY FROM A LITTLE GIRL NAMED MARIE, AND SHE ASKED MY OPINION, SHE SAID: 'DO YOU THINK THE TEACHERS SHOULD BE ALLOWED TO HIT US ON THE KNUCKLES WITH A RULER?' SHE SAID: 'I DON'T THINK SO'. P.S., 'IF MY HANDWRITING IS BAD, IT IS BECAUSE MY HAND IS SORE'.

LL, DO YOU REMEMBER BACK IN '64, ALL THE WAY WITH LBJ. NOW WE KNOW
 AT HE MEANT. (LAUGHTER AND APPLAUSE) THE CREDIBILITY GAP IS SO GREAT,
 AT WE HAVE TO WORRY THAT MAYBE HE TOLD US THE TRUTH THE OTHER DAY,
 PING WE WOUDN'T BELIEVE HIM. (LAUGHTER) OF COURSE, WE STILL HAVE
 BBY. YOU KNOW, IT JUST SEEMS LIKE YESTERDAY THAT BOBBY WAS TELLING
 THAT HE WANTED A JOHNSON-HUMPHREY TICKET. NOW WE KNOW WHERE TO
 (LAUGHTER) THERE IS A LOT OF TALK THAT IF BOBBY SHOULD BECOME THE
 ANDIDATE, WHO WOULD BE HIS RUNNING MATE. WELL, THAT'S KIND OF SILLY.
 E WON'T HAVE ANY. WHO EVER HEARD OF A VICE-KENNEDY? (LAUGHTER) BUT,
 OU CAN'T DENY BOBBY LOVES THE POOR, AND HE IS GOING TO DO HIS BEST TO
 EEP US THAT WAY. (LAUGHTER AND APPLAUSE)

ERE IT IS, ANOTHER ELECTION YEAR. THEY'VE GOTTEN OUT A HANDBOOK IN
 THE OTHER PARTY, AND I'VE SEEN IT, AND THIS IS TRUE. IT'S FOR CAMPAIGNERS,
 AND IT HAS ALL THE INSTRUCTIONS FOR THE CAMPAIGNING CANDIDATES IN THE
 DEMOCRATIC SIDE, AND AMONG ONE OF THE INSTRUCTIONS IS THAT THEY SHOULD
 BE VERY CAREFUL IN THEIR CAMPAIGNING NOT TO LET FINANCE GET OUT OF HAND.
 NOT TO LET OUTGO EXCEED INCOME. NOW, IF THEY ONLY HAD A BOOK LIKE THAT
 FOR THE OFFICE HOLDERS. (LAUGHTER AND APPLAUSE) WE ARE THE ONLY PEOPLE
 IN THE WORLD WHOSE MONEY CAN GO TO EUROPE AND WE CAN'T. (LAUGHTER AND
 APPLAUSE) UNDER THE INCREASE IN THE POSTAGE RATES, WE CAN'T EVEN WRITE.

T TAKES THE COMBINED TAXES FOR FIVE (5) FAMILIES TO PAY THE COST OF THE
 FEDERAL GOVERNMENT FOR ONE SECOND. DID YOU JUST BLINK YOUR EYES? WELL,
 BEFORE YOU GOT THEM OPENED, THE GOVERNMENT HAD SPENT \$4,550.00, BUT LIKE
 HUBERT HERATIO HUMPHREY SAID, 'A BILLION HERE, AND A BILLION THERE, IT
 ADDS UP'. (LAUGHTER) HUBERT, NOW THERE'S A MODEST MAN, (LAUGHTER) WITH
 A GREAT DEAL TO BE MODEST ABOUT. (LAUGHTER) HE APPROACHES EVERY PROBLEM
 WITH AN OPEN MOUTH. (LAUGHTER AND APPLAUSE)

FOR DECADES, THE LEADERSHIP OF THAT PARTY HAS TRIED TO TAKE EVERY PROBLEM AND MAKE IT THEIRS, AND THAT GOES FOR JUST ABOUT EVERYTHING ELSE WE OWNED. LOOK HOW THEY HAVE BEEN SOLVING THE FARMERS PROBLEMS. DO YOU REMEMBER THAT OLD GAG, THAT GAG BASED ON DEFINITIONS? SOCIALISM: THIS WAS IF YOU HAD TWO COWS, THEY TAKE ONE, AND THE GOVERNMENT WOULD: ' GIVE IT TO YOUR NEIGHBOR. COMMUNISM: IF YOU HAD TWO COWS THE GOVERNMENT WOULD TAKE BOTH OF THEM, AND GIVE YOU THE MILK. WELL, OUR GOVERNMENT, THEY TAKE BOTH COWS, SHOOT ONE, MILK THE OTHER, THROW THE MILK AWAY, AND BUY BUTTER FROM HOLLAND. (LAUGHTER AND APPLAUSE) THEIR IDEA OF HELPING THE FARMER IS TO BUY HIM A MILKING MACHINE, AND THEN TAKE HIS ONLY COW IN PAYMENT OF TAXES.

IN 1920, YOU COULD TELEPHONE FROM NEW YORK TO SAN FRANCISCO FOR \$20.75, AND FOR THAT SAME AMOUNT OF MONEY YOU COULD SEND 1,037 LETTERS. NOW, IT ONLY COSTS A DOLLAR TO MAKE THAT TELEPHONE CALL, AND FOR THAT AMOUNT YOU CAN ONLY SEND 16 LETTERS. SO, THE GOVERNMENT IS INVESTIGATING THE 'BELL SYSTEM'. (LAUGHTER) THEY ARE SPENDING \$425,000.000 IN THE FEDERAL GOVERNMENT ON PUBLIC RELATIONS, JUST TO TELL US HOW WELL OFF WE ARE. NEVER HAVE SO FEW, SPENT SO MUCH, TO TELL US SO LITTLE. CIVILIAN BUREAUS ARE MULTIPLYING LIKE WIRE COAT HANGERS IN A CLOSET.

I REMEMBERED FOR THREE YEARS NOW, THIS ADMINISTRATION. DURING THIS THREE YEARS THE PRESIDENT HAS ASKED CONGRESS FOR PASSAGE OF 1,057 PROPOSALS, AND CONGRESS HAS ENACTED 655 OF THESE, MOST OF WHICH INCREASE THE SPENDING OF THE FEDERAL GOVERNMENT. HEALTH AND WELFARE HAS INCREASED IN THESE THREE YEARS 71%. THE AID TO EDUCATION 107.7%. HOUSING AND DEVELOPMENT 158.8%. BUT, AT THE SAME TIME, THE PRESIDENT RECENTLY, PIOUSLY, TOLD US THAT THE NATION COULD FACE A RETURN TO STRONG INFLATIONARY PRESSURES, WHICH COULD ROB THE POOR AND THE ELDERLY, AND THE MILLIONS WHO ARE ON

FIXED INCOMES. AND, THE IMPLICATION WAS, THAT WE WERE NOT NOW HAVING
INFLATION. WELL, TRAGICALLY, AN ENTIRE GENERATION HAS GROWN TO ADULTHOOD
NOT KNOWING ANYTHING ELSE. IN THIS YEAR ALONE, OUR MONEY WILL BUY
4 BILLION DOLLARS LESS THAN IT WOULD LAST YEAR. THE THOUSAND DOLLARS
THAT YOU, PERHAPS, HAVE IN THE BANK THAT'S EARNING \$45 IN INTEREST, WELL,
SUBTRACT \$28.21 BECAUSE THAT IS WHAT IT WILL LOSE THIS YEAR IN PURCHASING
POWER. THE PRESIDENT SIGNED A CONGRESSIONAL RESOLUTION RECENTLY THAT
WOULD REDUCE THE NUMBER OF FEDERAL EMPLOYEES IN THE GOVERNMENT BY 2%,
AND THEN WITH A CYNICISM, THAT IS ALL TOO PREVALENT IN GOVERNMENT TODAY,
HE ASKED IN HIS BUDGET FOR AN INCREASE IN THE NUMBER OF EMPLOYEES OF
5,600. WE'RE FACED WITH A FISCAL CRISIS OF GREATER PROPORTIONS THAN
ANYTHING WE HAVE KNOWN, SINCE THAT DARK FRIDAY IN OCTOBER OF 1929. BUT,
THOSE IN POWER, LACK THE COURAGE TO TAKE ANY OF THE STEPS THAT ARE
NECESSARY, LEST SOME OF THEM PROVE POLITICALLY UNPOPULAR. THEY GO THEIR
SLISSFUL WAY. WE ARE TOLD THAT THE BUDGET IS AS PRUDENT AS THE
GOVERNMENT COULD MAKE IT. DOWN TO BARE NECESSITIES, AND THE NEEDS OF
THE PEOPLE. AND, YET, THEY HAVE SPENT \$249,000 IN A RESEARCH PROGRAM
CALLED THE DEMOGRAPHY OF HAPPINESS. THEY CONDUCTED THIS RESEARCH IN
PUERTO RICO, WHICH WAS A GOOD PLACE TO FIND HAPPY PEOPLE, THEY HAVE NO
INCOME TAX THERE, AND WHAT DO YOU THINK WE GOT FOR OUR \$249,000? WELL,
THE STUDY FINALLY CAME TO THE CONCLUSION, THAT PEOPLE WHO EARN MORE ARE
HAPPIER THAN PEOPLE WHO EARN LESS. (LAUGHTER) THAT THE YOUNG ARE HAPPIER
THAN THE OLD, AND THAT THE WELL AND HEALTHY ARE HAPPIER THAN THE SICK.

IN JOLIET, ILLINOIS AN IMMIGRANT TO THIS COUNTRY, WHO HAD BECOME AN ADOPTED
CITIZEN DIED, AND IN HIS WILL, HE LEFT HIS WHOLE FORTUNE OF \$170,000 TO
THE GOVERNMENT TO HELP PAY OFF THE DEBT. IN DUE TIME, A PROBATE COURT IN
ILLINOIS PROCESSED THIS WILL, DEDUCTED \$27,000 WHICH WAS THE STATE OF
ILLINOIS' SHARE IN INHERITANCE TAX, AND THE FEDERAL GOVERNMENT IS FIGHTING
THE CASE. AND, THE GOVERNMENT IS CLAIMING THEY ARE FIGHTING THE CASE,

(37)

WANTING THE \$27,000, BECAUSE THEY CLAIM THE FEDERAL GOVERNMENT IS A
CHARITABLE INSTITUTION. (LAUGHTER) AND, THEY'VE GOT A GOOD CASE.
(LAUGHTER AND APPLAUSE)

2 MILLION AMERICANS ARE RECEIVING SOME FORM OF DIRECT PAYMENT FROM
GOVERNMENT. EITHER DIRECTLY FROM THE FEDERAL GOVERNMENT, OR FROM STATES
UNDER FEDERAL FINANCE GRANTS. WELFARE PROGRAMS THAT NUMBERED 239 IN
1964, NUMBER 458 NOW, AND WE'RE PROMISED MORE. INDEED, ONE WONDERS IF
THE SCRIPT OF LAST WEEKS SURPRISING ANNOUNCEMENT HASN'T BEEN IN THE
WORKS FOR QUITE SOME TIME. BY A STRANGE COINCIDENCE, THERE IS A
GOVERNMENT PUBLICATION OUT, IT IS CALLED THE VICE-PRESIDENT'S HANDBOOK
FOR LOCAL OFFICIALS. IT'S PRINTED AT TAX PAYERS EXPENSE, BUT YOU CAN'T
LOOK AT THIS BOOK WITHOUT THINKING THAT HERE IS QUITE AN IMPRESSIVE
CAMPAIGN DOCUMENT. THE PRESIDENT IS DISMISSED IN THE BOOK WITH ONLY
ONE PICTURE. BUT, HUBERT HORATIO HUMPHREY IS ALL THROUGH THE BOOK,
PHOTOGRAPHED USUALLY WITH HAPPY SMILING CHILDREN. THE FACT IS, THE
BOOK BEARS THE VICE-PRESIDENT'S SEAL, AND THE MESSAGE IS HAPPY, AND
UNSUBTLE. THE ADMINISTRATION HAS 17 AND 1/2 BILLION DOLLARS TO SPREAD
AROUND THIS YEAR AMONG THE STATES, CITIES, AND LOCAL COMMUNITIES. ARE
YOU GETTING YOUR SHARE? ARE YOU PASSING UP YOUR CUT BECAUSE OF IGNORANCE
OF PROCEDURES? AND THEN, IN THE FORWARD OF THE BOOK, THE VICE-PRESIDENT
EXPLAINS, HE'S YOUR MAN. HE GOES ON TO EXPLAIN THAT IF RED-TAPE GETS IN
YOUR WAY, DON'T BOTHER TO CONTACT YOUR CONGRESSMAN OR YOUR SENATOR, JUST
GET IN TOUCH WITH OLE HUBERT. HE'LL STRAIGHTEN IT OUT, AND SEE THAT YOU
GET THE MONEY.

IN WASHINGTON, THE SLOGAN ONCE WAS "WALK SOFTLY AND CARRY A BIG STICK",
NOW IT'S "WALK SOFTLY AND CARRY A BIG SACK". (LAUGHTER AND APPLAUSE)

(10)

A LITTLE OVER A YEAR AGO, I INHERITED A GOVERNMENT IN CALIFORNIA THAT HAD BEEN, FOR EIGHT YEARS, A LITTLE BROTHER TO BIG BROTHER IN WASHINGTON. FOR ALL THAT TIME, WHEN WASHINGTON SNEEZED, 'THE GEZUNDTHEIT' COULD BE HEARD IN SACRAMENTO. (LAUGHTER) AND YOU KNOW, THERE WERE TIMES, WHEN I LOOKED AT WHAT I HAD INHERITED THAT I WASN'T SURE WHETHER I'D BEEN ELECTED GOVERNOR, OR APPOINTED RECEIVER. (LAUGHTER) CALIFORNIA RANKS THIRD IN THE NATION IN THE NUMBER OF THOSE WHO ARE POVERTY STRICKEN, BUT NUMBER ONE IN THE AMOUNT OF FEDERAL POVERTY FUNDS THAT HAVE BEEN ALLOCATED. BUT, IT DIDN'T ALLEVIATE POVERTY. IT CREATED AN ADMINISTRATIVE NIGHTMARE. OVER THE LAST DECADE, WHILE WE'VE INCREASED OUR POPULATION IN THAT STATE BY 39%, WE'VE INCREASED THE NUMBER OF PEOPLE GETTING WELFARE BY 247%, AND THAT'S WHY, FOLLOWING THE WATTS RIOTS, WHEN MORE FEDERAL MONEY WAS FUNNELED IN, A NATIONAL MAGAZINE DID A RESEARCH LATER, AND FOUND OUT THAT SOME 50% OF THE TOTAL FUNDS HAD GONE TO THE ADMINISTRATORS. THAT'S WHY, I ALSO DISCOVERED WHEN I WAS ELECTED THAT I HAD A RIGHT, AS GOVERNOR, TO VETO SOME OF THE FEDERAL POVERTY PROGRAMS. OF COURSE, BEING TOTALLY INEXPERIENCED, I DIDN'T KNOW I WASN'T SUPPOSED TO EXERCISE THAT VETO. (LAUGHTER) SO I DID. (LAUGHTER AND APPLAUSE)

THERE WAS ONE PROGRAM IN FRESNO, THAT WAS TO TEACH AND SCHOOL DEMONSTRATORS AND PICKETS. AND, IF THERE WAS ONE THING WE DIDN'T HAVE A SHORTAGE OF, IT WAS DEMONSTRATORS. BUT, THE ONE THAT I DELIGHTED IN VETOING, WAS A PROGRAM THAT AT FIRST GLANCE YOU WOULD THINK WAS RIGHT DOWN OUR ALLEY. IT WAS A PROGRAM TO PUT THE HARD-CORE UNEMPLOYED, IN ONE OF OUR COUNTIES TO WORK, CLEARING OPEN PARK LANDS. BUT, A LITTLE INVESTIGATION REVEALED THERE WERE 17 OF THE HARD-CORE UNEMPLOYED, BUT MORE THAN HALF OF THE BUDGET WAS GOING TO 7 ADMINISTRATORS TO MAKE SURE THAT THE 17 GOT TO WORK ON TIME, AND THE PROGRAM ALSO CALLED FOR THE 17 HAVING TO TRAVEL

A TOTAL OF 12,000 MILES, AND THERE WAS NO PROVISION IN THE BUDGET FOR THEIR SHELTER OR THEIR TRANSPORTATION. THE GENERAL ACCOUNTING OFFICE HAS DISCOVERED A JOB CORP TRAINING PROGRAM IN CALIFORNIA WITH 1,869 ENROLLEES, BUT WITH A STAFF OF 1,078. IT'S NO WONDER THAT IT IS COSTING AN AVERAGE OF \$50,000 FOR EVERY GRADUATE OF THIS PROGRAM. THIS ISN'T PECULIAR TO CALIFORNIA. A CHICAGO ORGANIZATION WAS AWARDED \$872,000 TO TEACH BASIC READING AND ARITHMETIC TO DROP-OUTS. IT'S A WORTHY PURPOSE. A SHORT TIME AFTER THE SCHOOL WAS STARTED, A TRIBUNE REPORTER WENT DOWN WITH A LOGICAL QUESTION, TO SEE HOW THEY WERE DOING, AND HE INTERRUPTED A CRAP GAME. HE WAS INFORMED IT WAS RECESS. THE TEACHERS PAY, HE LEARNED, WASN'T EXCESSIVE, BUT THEN NEITHER WAS THEIR WORK. TWO OF THEM WERE IN JAIL, ONE CHARGED WITH MURDER, AND ONE CHARGED WITH CONSPIRACY TO COMMIT MURDER. THREE WERE OUT ON BOND FOR WAITING TRIAL FOR RAPE. ANOTHER WAS ON TRIAL FOR AGGRAVATED BATTERY, AND STILL ANOTHER WAS ON PROBATION FOR A BURGLARY CONVICTION, AND THE DIRECTOR SAID IT WAS TOO EARLY TO SAY WHETHER THE PROGRAM HAD BEEN SUCCESSFUL. (LAUGHTER) IN ADDITION TO THEIR SALARY, THE TEACHERS WERE PAID \$5.00 A HEAD FOR EVERY DROP-OUT THEY BROUGHT IN, AND SINCE THEY WERE AUTHORIZED TO GIVE THE DROP-OUTS \$45.00 A WEEK PLUS A FAMILY ALLOWANCE, THE MOST FERTILE RECRUITING GROUND WAS AT THE NEAREST SCHOOL, WHERE THEY WERE TALKING THE KIDS INTO DROPPING OUT IN ORDER TO GET THAT KIND OF PAY.

IN NEW HAVEN, \$27,000,000 HAS BEEN SPENT ON THE HOUSING, EDUCATION, JOB TRAINING AND PLACEMENT, IN WHAT IS ONE OF THE MOST FAMOUS OF THE NATIONS ALL MODEL POVERTY PROGRAMS. BUT, THE DESERVING POOR, MOST OF WHOM ARE NEGROES IN THAT COMMUNITY, DIDN'T GET WHAT THEY DESERVED. PROBABLY BECAUSE THE DIRECTOR WAS GETTING \$30,000, AND A DOZEN OTHERS OF HIS STAFF WERE GETTING SALARIES RANGING FROM \$12,000 TO \$20,000.

THE ADMINISTRATIVE OVERHEAD HERE RAN TO 50%. THERE WERE 250 PHONES FOR 74 IN STAFF, THERE WERE 23 OFFICES THAT HAD BEEN VACANT FOR A YEAR, BUT THE PHONES WERE STILL HOOKED UP IN THOSE OFFICES. YOU CAN GET AROUND NEW HAVEN IN 15 MINUTES, FROM PLOWED GROUND TO PLOWED GROUND, BUT THE TRAVEL EXPENSES FOR THE STAFF WAS \$161,000. NOW, ON THIS DAY OF TRAGEDY, THE CONGRESS WILL BE TOLD THAT SOMEHOW THE PROBLEM HAS FAILED OF SOLUTION, BECAUSE NOT ENOUGH MONEY HAS BEEN APPLIED TO ITS SOLVING. AND, THE CREDIBILITY BECOMES A MORALITY GAP, AND TOGETHER THEY FORM A LEADERSHIP GAP ON A SCALE THAT WE'VE NEVER KNOWN, AND SHOULD NO LONGER TOLERATE (APPLAUSE). WE HAVE GIVEN OF OUR TREASURE WITH A GENEROSITY UNMATCHED IN ALL OF MAN'S HISTORY. WE'RE DESPISED ABROAD, AND THOSE AT HOME WHOM WE SOUGHT TO HELP, SINK DEEPER INTO POVERTY BECAUSE THEY, AND WE, HAVE BEEN THE VICTIMS OF POLITICAL OPPORTUNISM AND EXPEDIENCY. WHATEVER YOU MAY THINK OF MARTIN LUTHER KING, WHETHER YOU APPROVED OR DISAPPROVED, SOMETHING OF AMERICA IS BEING BURIED TODAY. (APPLAUSE) IT BEGAN WITH OUR FIRST ACCEPTANCE OF COMPROMISE WITH THE LAW. ACCEPTANCE OF THOSE WHO WOULD APPLY THE LAW UNEQUALLY BECAUSE OF RACE OR RELIGION, AND ACCEPTANCE OF THOSE WHO ADVOCATE BREAKING THOSE LAWS, WITH WHICH THEY ARE IN DISAGREEMENT. AND, IT INCLUDES THOSE WHO ARE IN GOVERNMENT. UNLESS AND UNTIL THEY HAVE THE COURAGE TO SAY THAT THE LAW WILL BE ENFORCED EQUALLY TO ALL, AT ALL TIMES, AND WITH NO EXCEPTIONS. (PROFUSE APPLAUSE)

IN THE LAST COUPLE OF WEEKS, I'VE BEEN TRAVELLING UP AND DOWN CALIFORNIA, QUIETLY. NO PRESS NOTICE, AND NO FAN-FARE. I'VE BEEN MEETING WITH FINE RESPONSIBLE CITIZENS IN OUR MINORITY COMMUNITIES. IN OUR NEGRO AREAS, AND WITH THOSE FINE AMERICANS OF MEXICAN DESCENT, WHO MAKE UP SUCH A PROPORTION OF OUR POPULATION THERE. IN CITY AFTER CITY, I'VE SEEN THESE GOOD PEOPLE, WITH UNBELIEVABLE PATIENCE, OVERCOMING THEIR FRUSTRATIONS AS PROGRAMS HAVE BEEN LAUNCHED WITH GREAT PROMISE, AND THEN DIE OF MIS-

MANAGEMENT OF THE KIND I'VE DESCRIBED, OR ON THE WHIM OF SOME
BUREAUCRAT IN THE DISTANT CAPITOL. AND, I'VE LEARNED IT FIRST-HAND
FROM THEM, BECAUSE I WENT TO LISTEN. HOW OUR EDUCATIONAL SYSTEM HAS
FAILED THEM, HOW THEIR YOUNG ARE GRADUATED FROM CLASS TO CLASS, SIMPLY
BECAUSE THE YEAR IS ENDED, AND NOT ON ANY BASIS OF WHETHER THEY'VE
LEARNED WHAT THEY WERE SUPPOSED TO LEARN. AND, FINALLY, THEY ARE HANDED
A MEANINGLESS DIPLOMA, AND THEY DON'T HAVE THE KNOWLEDGE TO GO WITH IT.
(APPLAUSE) I'VE LEARNED HOW OUR ECONOMY HAS NOT BEEN EXTENDED, OR
EXTENDED ITS BOUNTY TO ALL OF OUR CITIZENS WHO ARE WILLING TO TRY AND
WILLING TO WORK. I'VE LISTED TO THEIR HOPES AND THEIR HOPELESSNESS, AND
I'VE HEARD THEIR PLEA. AND, SURPRISINGLY ENOUGH, IT ISN'T FOR MORE
WELFARE. IT'S FOR JOBS. IT ISN'T TO BUS THEIR PUPILS, THEIR STUDENTS,
THEIR SONS AND DAUGHTERS TO OTHER SCHOOLS, IT IS INSTEAD, FOR GOOD
SCHOOLING AND DISCIPLINE IN THE SCHOOLS NEAR-AT-HAND WHERE THEIR
CHILDREN ARE ATTENDING. (APPLAUSE)

I KNOW THAT I SPEAK IN A DEMOCRATIC STATE, AS TO THE MAJORITY OF
ENROLLMENT IN PARTIES. BUT, LET ME MAKE IT PLAIN, AND I HOPE THAT IT IS
PLAIN, THAT I AM SPEAKING OF THE LEADERSHIP IN THAT PARTY. I KNOW WHAT
IT MEANS TO CROSS-OVER, AND CROSS PARTY LINES, BECAUSE I SPENT MOST OF
MY LIFE AS A DEMOCRAT. AND TO THOSE OF YOU WHO MAY BE TOYING WITH THE
IDEA, EITHER OF CROSSING THE LINE AT THE BALLOT BOX, OR ACTUALLY RE-
REGISTERING, LET ME JUST INTERJECT NOW AND SAY. IF YOU HAVE ANY FEELING
OF GUILT OR BETRAYAL AT LEAVING YOUR PARTY, AND I KNOW THAT FEELING, I
HAD IT ALSO, THEN, RID YOURSELF OF THAT FEELING BECAUSE IT ISN'T THE
DEMOCRATIC PARTY THAT YOU ARE LEAVING, THE LEADERSHIP OF THAT PARTY HAS
LONG SINCE LEFT YOU. (APPLAUSE) WE, AS REPUBLICANS, HAVE LET THE
OPPOSITION PARTY PREEMPT A WHOLE HUMITARIAN FIELD OF QUESTIDY OF OUR
FELLOW HUMAN BEINGS, AND THEIR RECORD IS ONE OF COLOSSAL FAILURE. THEY

~~UNDER THE SECOND AND THIRD GENERATION OF THE REPUBLIC~~

WHY SHOULD THE REPUBLICANS HAVE GIVEN UP THIS FIELD TO THE ENEMY? WHY SHOULDN'T WE STAND UP AND SAY THIS IS OUR RESPONSIBILITY, AND WE ARE BETTER QUALIFIED TO ANSWER THE PROBLEM? IS NOT OUR PHILOSOPHY BASED ON A BELIEF IN INDIVIDUAL MAN, HIS FREEDOM AND HIS RIGHTS? WELL, WE'RE DEALING WITH INDIVIDUALS. THEY HAVE BEEN TRYING TO DEAL WITH THIS AS IF THIS IS SOME GREAT FACELESS MASK OUT THERE. BUT, EACH ONE IS UNIQUE, EACH ONE IS CRYING OUT IN HIS SOUL FOR HIS RIGHTFUL HERITAGE OF HUMAN DIGNITY, AND THE RIGHT TO SHAPE HIS OWN DESTINY. HERE, WE HAVE A CHANCE, AS REPUBLICANS, TO PROVE THAT WE ARE MORE THAN JUST NEGATIVE CRITICS. OUR CHANCE TO PROVE THAT OURS IS THE WAY. THE WAVE OF THE FUTURE. LET'S DO THIS NOT AS SOME CRASH EFFORT, BECAUSE WE FEAR A LONG HOT SUMMER. LET'S DO IT, BECAUSE IT'S A GOOD THING TO DO. BECAUSE, IT'S MORALLY RIGHT. (APPLAUSE) BUT, LET OUR PROMISE BE NOT OF SOME INSTANT TOMORROW, SOME UNREACHABLE UTOPIA. LET'S MAKE OUR PROMISE HONEST. THAT, WE CAN'T DO IT TOMORROW, WE CAN'T DO IT NEXT WEEK. IT'S A LONG HARD ROAD, BUT WHAT WE WILL PROMISE, IS THAT WE WILL DO WHATEVER HAS TO BE DONE TO SAVE HUMAN BEINGS, BUT WE'RE GOING TO STOP DESTROYING THEM. (APPLAUSE)

I WAS IN WASHINGTON LAST WEEK WHEN THE BURNING AND THE LOOTING STARTED. I WAS IN THAT MASSIVE TRAFFIC JAM AS THE GOVERNMENT LITERALLY CLOSED DOWN, AND YOU COULD TASTE THE PANIC IN THE AIR. LATER, WHEN THE CURFEW HAD CLEARED THE STREETS, WE DROVE TO THE AIRPORT THROUGH THE PALL OF SMOKE THREADING OUR WAY THROUGH THE CROWDS OF LOOTERS, AND PASSING THE COLUMNS OF TROOPS ON THEIR WAY. TROOPS ON THEIR WAY INTO THE BURNING CAPITOL OF THE MOST POWERFUL NATION ON EARTH. AND, NO WHERE, WAS THE

HEY REFER TO US AND THE EVENTS OF THE LAST FEW DAYS AS PROVING THAT
E ARE INDEED A SICK SOCIETY. WELL, MANY OF US ARE SICK, WE'RE SICK
OF THAT KIND OF TALK FROM THOSE WHO TOOK OUR TREASURE, AND WHO DEPEND
ON US TO STAND BETWEEN THEM AND THE BARBARIANS WHO WOULD CROSS THEIR
BORDERS WITHIN THE HOUR, IF WE WITHDREW OUR MANTEL OF PROTECTION.
(PROFUSE APPLAUSE) WE'RE SICK OF THE SO-CALLED LEADERSHIP AT HOME,
THAT HAS LEFT THE SHIP-OF-STATE ADRIPT WITHOUT RUDDER OR COMPASS.
THERE HAS BEEN A CHANGE OF GUARD IN THE PENTAGON, THE REGIME OF ROBERT
McNAMARA ENDS AS IT BEGAN, WITH A WOE-BEGONE DEMONSTRATION OF MILITARY
INEPTITUDE. THE PLAY HAD A SEVEN YEAR RUN, BEGINNING WITH THE BAY-OF-PIGS,
AND CLOSING WITH THE HUMILIATING THEFT OF ONE OF OUR SHIPS, AND THE
KIDNAPPING OF 83 YOUNG AMERICANS, AND THE MURDER OF ONE OF THOSE. AND,
IN THE LAST, AS IN THE FIRST, THERE WAS A FOUNDERING OF PURPOSE, AND
THE LOSS OF NERVE, AND, AS HAS BECOME FASHIONABLE OF LATE, WITH THOSE
CLEVER MEN WHO PRESIDE OVER OUR MILITARY FORCES AND STRATEGY, THEY
CONGRATULATED THEMSELVES ON SIDE-STEPPING ANOTHER DECISION AND AVOIDING
ACTION. THE OFFICIAL EXPLANATION GIVEN FOR OUR INABILITY TO HAVE AIR
FORCE PROTECTION MOVE OUT IN SUPPORT OF DEFENSE OF THE PUEBLO, WAS THAT
ALL THE FIGHTERS ON ALERT IN KOREA ARE EQUIPPED ONLY FOR NUCLEAR
RETALIATION. BUT, HASN'T THAT BEEN THEIR MOST PERSISTENT CLAIM? THE
CLAIM OF THIS ADMINISTRATION THAT WE MOVED AT A COST OF FIVE HUNDRED
BILLION DOLLARS OVER THE LAST SEVERAL YEARS, FROM A NUCLEAR FOOTING TO
ONE THAT WOULD AVOID THE THREAT OF THE BOMB, AND GIVE US A FLEXIBLE
RESPONSE? FLEXIBLE RESPONSE? WE'VE HAD NO RESPONSE AT ALL. OUR SHIP
HAS BEEN STOLEN, OUR YOUNG MEN KIDNAPPED, AND OUR GOVERNMENT ASSURED
US IT IS UPSET, STRONG LETTER FOLLOWS. GOVERNMENT'S ONLY EXCUSE FOR
BEING, IS TO GUARANTEE THE COLLECTIVE STRENGTH OF ALL, IN DEFENSE OF

WHEN ONE AMONG US, WHENEVER AND WHEREVER THE RIGHTS OF THAT ONE ARE
THREATENED. (APPLAUSE)

WE, AS REPUBLICANS, SHOULD READ THE MESSAGE OF THE WIND THAT'S BLOWING
ACROSS THIS LAND, THE WIND THAT WAS BLOWING ON NOVEMBER 8TH OF '66,
AND IN THIS LAST YEAR'S ELECTION. MILLIONS OF AMERICANS, INDEPENDENTS,
DEMOCRATS, AND REPUBLICANS, VOTED AGAINST WHAT'S BEEN GOING ON. WORKING
MEN AND WOMEN HAVE DISCOVERED THAT THEY ARE NOT THE BENEFICIARIES OF THE
GREAT SOCIETY, THEY ARE PAYING FOR IT. THEY VOTED AGAINST TAXING
THEMSELVES TO PROVIDE MEDICAL CARE, AND THE STANDARD OF LIVING FOR OTHERS
THAT IS OFTEN MORE THAN THEY CAN AFFORD FOR THEIR OWN FAMILIES. THEY
VOTED AGAINST GOING DEEPER AND DEEPER INTO DEBT AS A NATION, WITH THE
IDEA THAT WE CAN AFFORD ANYTHING AND EVERYTHING, SIMPLY BECAUSE WE THINK
OF IT. THEY REPUDIATED THE IDEA THAT THE GOVERNMENT MUST ALWAYS GROW
LARGER AND MORE COSTLY AND MORE POWERFUL, AND THEY VOTED AGAINST
CONTINUING AN EASY ATMOSPHERE OF PEACE AND PROSPERITY, WHILE SOME YOUNG
AMERICANS DIE EACH DAY IN DEFENSE OF FREEDOM. THOUSANDS UPON THOUSANDS
OF AMERICANS, THOSE FORGOTTEN MEN AND WOMEN, WHO WORK AND SUPPORT THEIR
COMMUNITIES AND PAY FOR ALL THE SOCIAL TINKERING, ARE GROPPING FOR AN
ANSWER TO THEIR DOUBTS, AND ARE SEEKING A CAUSE IN WHICH THEY CAN INVEST
THEIR IDEALISM AND THEIR ENERGY, AND THEY'RE NOT A SICK SOCIETY. THEY'RE
TOO SELF RELIANT TO SELL THEIR DREAMS OF THE FUTURE FOR THE DULL SECURITY
OF THE ANTI, AND THEY'VE BEEN TOO LONG WITHOUT REPRESENTATION IN THE
HIGHER ECHELONS OF GOVERNMENT. THEY BELIEVE IN THIS NATION, AS A NATION
UNDER GOD. THAT THEIR FREEDOM IS THEIRS BY DIVINE RIGHT, AND NOT BY
GOVERNMENT WHIM. THEY BELIEVE THE FUNCTION OF GOVERNMENT IS TO PROTECT
THEM FROM THE LAWBREAKER, AND NOT THE OTHER WAY AROUND. (APPLAUSE)

(15)
NOW, IF THIS WERE JUST AN ORDINARY ELECTION YEAR, POLITICS, AS USUAL,
WOULD INDICATE THAT OUR PARTY SHOULD TAKE POSITIONS THAT WERE NOT
UNATTRACTIVE FROM ANY VIEWPOINT. BUT, THERE IS A NEED IN THIS PARTICULAR
YEAR FOR STATESMANSHIP, AND STATESMANSHIP DEMANDS THAT WE FACE REALITY
WITH A FAITH IN THE PEOPLES WISDOM. THERE IS A MORALITY GAP, AS I SAID,
IN OUR LAND. A TENDENCY TO ACCEPT WRONG DOING IN HIGH PLACES, ALMOST
AS IF THOSE IN GOVERNMENT ARE NOT BOUND BY THE COMMONLY ACCEPTED RULES
OF CONDUCT, AND YOU AND I SEEMED TO HAVE LOST OUR CAPACITY FOR ANGER.
I BELIEVE THE PEOPLE IN THIS LAND ARE CRYING OUT FOR A LEADERSHIP THAT
WILL SAY, NO PLACE IN THIS NATION SHALL THERE BE HIGHER STANDARDS OF
HONOR AND INTEGRITY, THAN IN THE HALLS OF GOVERNMENT. (APPLAUSE) WE'VE
REACHED A TURNING POINT IN TIME, THIS, NOW, IS OUR MOMENT OF DESTINY.
LET US, AS REPUBLICANS, RAISE A BANNER TO WHICH THE PEOPLE OF EVERY
PARTY CAN REPAIR. BUT, LET'S CHOOSE THE COLORS WELL, FOR THE PEOPLE
ARE NOT IN THE MOOD TO FOLLOW THE SICKLY PASTELS, THE CYNICAL SHADES OF
THOSE WHO WOULD BUY THE PEOPLES VOTES WITH THE PEOPLES MONEY. WILL WE
RESPOND WITH POLITICS, AS USUAL? OR, WILL WE RECOGNIZE THAT AS A NATION,
WE FACE OUR MOMENT OF TRUTH. THE TIME FOR BREAD AND CIRCUSES IS PAST.
IT'S TIME NOW, FOR GOVERNMENT. A GOVERNMENT THAT BELIEVES THAT ITS
RESPONSIBILITY IS TO PRESERVE THE VALUES THAT MADE THIS NATION GREAT.
TIME FOR GOVERNMENT TO USE ITS POWER TO PROTECT EVERY CITIZEN WHOSE
RIGHTS ARE DENIED, WHEREVER IN THE WORLD THAT CITIZEN MIGHT BE. TIME
FOR A GOVERNMENT THAT WILL OFFER THE HAND OF FRIENDSHIP TO EVERY NATION,
BUT NOT OUT OF FEAR. PEACE IS OUR PURPOSE, BUT WE WILL NEVER BE WITHOUT
THE STRENGTH TO PRESERVE THAT PEACE. (APPLAUSE) THAT WE'LL OFFER A
LEADERSHIP THAT WILL HAVE THE COURAGE TO TELL THE PEOPLE THE UNPLEASANT
TRUTH, WITH FAITH IN THEIR COURAGE, AND THEIR WILLINGNESS TO SUPPORT US
IN THE HARD DECISIONS THAT LIE AHEAD.

9

WE'LL STOP TRYING TO BUY THE WORLD'S AFFECTION, AND START EARNING IT'S
RESPECT. (PROFUSE APPLAUSE) AND, WE'LL REAFFIRM OUR BELIEF THAT GOD
WANTED MAN TO BE FREE, TO CHART HIS OWN COURSE, AND TO EARN HIS OWN
SALVATION. LET US, AS REPUBLICANS, HAVE THE COURAGE TO LIFT THAT KIND
OF BANNER IN THIS ELECTION YEAR, ONE THAT ASKS FOR THE BEST OF ALL OF
US, INSTEAD OF PROMISING WHAT SEEMS TO BE THE BEST FOR ONLY SOME OF US.
WE'RE WATCHED BY MILLIONS OF AMERICANS, A VOTING BLOCK CROSSING RACIAL,
RELIGIOUS, ETHNIC, AND YES, PARTY LINES. AND, THERE ARE OTHERS WHO ARE
WATCHING, MILLIONS OF YOUNG AMERICANS, OUR SONS AND DAUGHTERS, WAITING
TO SEE IF ONCE AGAIN WE'LL LET OURSELVES BE DIVIDED BY LABELS, APPLIED
COMPLETELY WITH HYPHEN, BEFORE WE USE THE WORD REPUBLICAN. THEY'RE
WATCHING TO SEE IF WE PLACE MORE IMPORTANCE ON THOSE SHADINGS AND ON
OLD PAST PARTY GRUDGES, THAN WE DO ON THE CHALLENGE THAT CONFRONTS US.
FOR WITH THEIR YOUTHFUL WISDOM, THEY KNOW THE PRICE THEY'LL PAY IF WE
FAIL TO MEET OUR CHALLENGE, BECAUSE THE STAKE WE PLAY FOR NOW, IS THE
FUTURE IN WHICH THEY MUST LIVE.

AN OHIO DOCTOR, A SIMPLE MAN, WROTE: "FOR ONE SHINING GLORIOUS MOMENT
OF HISTORY, WE HAD THE KEY, THE OPEN DOOR, AND THE WAY WAS THERE BEFORE
US, MEN THREW OFF THE YOKE OF CENTURIES AND THRUST FORWARD ALONG THAT
WAY WITH SUCH BRILLIANCE, THAT FOR A LITTLE WHILE, WE WERE THE LIGHT
AND THE INSPIRATION OF THE WORLD. NOW THE KEY HAS BEEN THROWN CARELESSLY
ASIDE; THE DOOR IS CLOSING, WE ARE LOSING THAT WAY." YOU AND I CAN HAVE
NO GREATER CHALLENGE, NO GREATER RESPONSIBILITY, NO GREATER GIFT TO
LEAVE TO OUR CHILDREN, THAN THE RESTORATION OF THAT AMERICAN DREAM.
(APPLAUSE)