

REMARKS
OF
HUBERT H. HUMPHREY
AUSTIN ROTARY CLUB
SEPTEMBER 28, 1970 - AUSTIN, MINNESOTA

In the year 2000, 80 percent of the people of America will live in cities.

One hundred years ago, one person worked to provide food for four people.

Today one farmer provides all the food and fiber necessary to fill the needs of ~~32~~ people. (44)

We have moved, almost without realizing it, into an ever growing urban society. And with this movement has come a new set of problems --- a number of questions have to be asked.

000394

Will we be ready for the year 2000?

Will we have a National Land Use Policy to provide the additional 12 million acres of urban land that will be needed by the year 2000?

Unless we plan now, will the land be available for housing, industry, schools, recreation, stores, hospitals or churches?

Since our urban population may double by the year 2000, where will these new communities be?

Must we strangle our already overcrowded costal urban centers, or can we provide the incentives to develop prosperous new communities through a National Urban Homestead Act and a National Migration Policy.

Will rural America flourish or perish?

000395

How shall this new growth be financed?

The year 2000 --- only 30 years away --- will
America be ready for it?

It will take vision and stamina to meet the challenge
of tomorrow.

It always has.

And it will take faith.

It always has.

Since this is an election year, a little immodesty
may be forgiven. I submit that the Democratic Party has
demonstrated that it, too, has the faith, vision and stamina
necessary to do the job.

A lot of nonsense is going to be spoken in this campaign about law and order. My opponent has already begun a slanderous smear campaign suggesting that Democrats --- particularly liberal Democrats are soft on crime. Well, it won't wash.

The people are not going to be fooled by Republican rhetoric.

Because Democrats care about people, a Democratic Congress sponsored, fought for and enacted into law the landmark Safe Streets Act of 1968.

Crime is not going to be licked in this state or in this country by Republican campaign slogans --- it will be licked by people working together.

I am ready to do that job just the way I got it done when I was the Mayor of Minneapolis.

That's right, Democrats care --- and that's the difference.

That's why you have Republican recessions and Democratic prosperity.

And I say we've had one Republican recession too much --- and this is it.

Today I want to talk to you about people --- their jobs and the prices they have to pay --- and what we can and are going to do about it.

Recently when President Nixon was asked about soaring food prices he stated that he was encouraged because "the rise of the rate of increase is downward rather than upward." Now when you take the Wall Street lawyer talk out of that statement what it says is that food prices are still going up --- not as fast, perhaps --- but still going up.

000398

Well that doesn't encourage me.

It doesn't encourage you.

And it doesn't encourage our wives --- because it still means that the grocery dollar is buying less and less.

But apparently it does encourage Republicans.

Republican Secretary of Commerce Stans recently visited the Twin Cities to offer support for my opponent. Mr. Stans told his audience that the fight against inflation is all but over, conceding that there were a few "weeds" in the economy --- "weeds" was his word.

That gives you some idea about how Republicans think.

Minnesotans have had a seven percent increase in consumer prices over the past year --- but Mr. Stans calls those "weeds".

One million Americans are out of work today who were earning a living and supporting their families just one year ago and Mr. Stans calls those "weeds".

In fact, there are one and one half million more unemployed American workers in this country since a Republican Administration took over in 1969. A million and a half "weeds", Mr. Stans?

In fact, Mr. Stans said that while the rise in unemployment is "regrettable and serious for the individual involved" it was necessary to fight against inflation.

Necessary indeed ---

Necessary for whom --- to sustain the highest interest rates in over 100 years.

The Republican Administration has been using every possible verbal trick to describe the current state of the

economy --- their verbal gymnastics come closer to a side show contortionist than they do to sophisticated economic analysis --- the facts do not support the press releases.

In August, President Nixon told us that the reason he had to veto legislation providing federal funds for aid to education and for health research was because he said we are faced by a "runaway inflation".

Well now --- if the President felt that way in August why does his Secretary of Commerce feel different in September. How does August's "runaway inflation" become September's "orderly" growth?

This is no more than a cold, calculated Republican stratagem to verbally give the economy a prosperous look --- at least till the November elections are behind us.

This Republican Administration has an open purse for missiles and a blank check for a supersonic plane to take those

who can afford it to Paris in four hours. Yet, when it comes to people --- particularly the needy, the elderly, the sick, the retarded, the handicapped, and the poor who are locked in our cities and rural areas --- these are the people for whom the Administration's purse strings have been tightened and the pennies pinched and in many cases, the funds denied altogether.

But with prices up, employment down --- with the constant threat of lay-offs, and with no opportunity for over-time --- we know we're in trouble.

In every factory in this state --- in every office --- at every sales counter, working men and women and worried. Each week the paycheck is worth less as inflation takes its ever increasing bite.

"Look to your left and look to your right one of us may not be working next Monday morning."

Isn't that the watchword?

Small businessmen can forget needed loans.
College students dependent on student loans are being forced
to drop out of school because the money isn't available.

But that's Republican recession economics.

Republicans call it anti-inflationary.

I call it anti-people.

And that's not Democratic rhetoric --- that's
Republican policy. They say "Unemployment is necessary to
fight inflation." Remember that's what the Republican Secretary
of Commerce said.

That's been their game plan for over 40 years.
Everytime we've given them the chance that's the way they've
played it.

000403

We had a Republican depression in 1930. We had three Republican recessions in the 1950s. And now we have a Republican recession in 1970.

Listen to this. This isn't Democratic propaganda --- it comes from a well known business journal, Business Week (September 12, 1970), and I quote:

000404

Let's look at the record. In 1960 we had an unemployment rate of over 7 percent. By the end of 1968, we drove unemployment down to 3.3 percent.

Yes, we had some inflation in the Democratic years, but it was one-third less than it is today. In 1968 consumer prices --- with full employment and increasing productivity --- rose by only 4.5 percent. Consumer prices today, with increasing unemployment and a stagnating economy, are rising at a rate in excess of 6 percent a year.

Now we have unemployment --- then we had a growing booming economy.

It didn't just happen that way. The difference is that Democrats care about people. Their economic prescriptions are designed to produce "perk-up" prosperity, not "trickle-down" Republican economics. Yes and Democratic Administrations have had the courage to lower or raise taxes when they knew that would be good for the country.

Our economy is still basically healthy - a magnificent production machine. The problem lies in the Republican economic witch doctors and their anti-people medicine.

Remember when Jack Kennedy called the Kingpins of the steel industry to the White House and told them he wanted steel prices rolled back. And they were.

Remember when Lyndon Johnson told the copper magnates that if they let copper prices rise he would supply the market with copper from government strategic stockpiles.

And copper prices were kept down.

However, this Republican Administration has announced again and again that it is not going to interfere with "natural market forces" - that's just another way of saying to the industrial barons of this country "Anything goes".

And it has --- we are suffering from the worst sustained inflation in 25 years.

000406

We have been hearing a lot of talk recently about increased wages --- and some of it has been fairly irresponsible talk.

Let's remember that "wages always follow prices". Let's just look at the record. In "purchasing power" dollars the average weekly earnings of American factory production workers have declined two dollars from 1965 --- from \$88.06 per week in 1965 to \$86.07 per week in 1970.

The American working man is not helped by inflation.

American labor is helped by increased productivity and relative price stability. That's what Democratic prosperity has been all about.

If this Republican Administration won't exert its prestige, moral force and high office to control inflation then Congress must assume that responsibility.

Irresponsible price increases must be subject to the public spotlight. The so-called natural market forces scarcely exist in many of our highly concentrated near monopoly basic industries. Congress can call to the committee witness table

all those who put their pocket book before the national welfare.

Big business and big banks must be brought into the court of public opinion.

And if with your help I get back to Washington, that's just what I intend to do.

We've all heard a lot recently about tight money. Tight money has driven interest rates to now record highs. Tight money is why you can't get a mortgage for a new home or a loan for a car. Tight money is why housing construction is down 20 percent below last year. Housing starts are at their lowest level in ten years.

Tight money is part of the Republican economics. Tight money is what raises bankers profits but puts workingmen and women out of work.

Tight money is made by the Federal Reserve Board. They create the amount of money available to bankers, businessmen,

and the amount available for you and me. That's why President Nixon appointed his old friend Arthur Burns to head the Federal Reserve Board. You remember Mr. Burns --- he was the one who questioned how there could be poverty in rural America because that's where "people have yards in which to grow things."

The Federal Reserve Board's not responsive to the needs of the working men and women in America. One of the reasons for this is that working people have no representation on that Board --- despite the fact that its decisions affect their very lives.

The time has come when the workers of America must be prepresented in the councils that decide their fate.

And I propose to do something about it.

The Federal Reserve Act must be amended to provide for labor representation --- and farmers, too, need genuine farmer representation.

In fact, we need to seriously re-evaluate the entire focus of our fiscal and monetary policy mechanisms.

Efforts to coordinate monetary and fiscal policy have failed. In too many cases they have pulled at our economy in opposite directions.

Monetary, fiscal and economic policy must be coordinated by the President. This has not been done. It isn't good enough just to rely on the powers of the Federal Reserve Board to raise interest and adjust the money supply in a period of inflation.

Fiscal --- yes, tax policy --- and budget policy --- and wage price policy must be included in the mix. This has not been done.

Our President --- Republican or Democrat --- must have the tools to do the job that needs to be done for America --- but he must be willing to use the tools.

000410

Because of this recession we have already lost \$19 billion in federal revenues. For this year alone we will have lost \$40 billion in potential output.

A continuation of these Republican restrictive economic policies runs the risk of losing \$1 billion per week in American productive potential in 1971.

A promised Federal Budget surplus has now been turned into a projected \$10 billion Republican deficit.

We cannot afford to accept this leaderless drift in the face of ever increasing unemployment and mounting prices.

Increasingly, the Administration seeks to have us believe that the current recession is due to the winding down of the war in Southeast Asia. While painful adjustments may well be called for in certain industries because of the welcomed de-escalation of conflict, our present unemployment and "no growth" economy is a direct result of Republican economics.

000411

Our economy is slumping not because of cuts in defense spending, but because the Republicans are preventing reasonable expansion. Presidential vetoes of aid to education, health research and hospital construction --- as well as calculated Administration refusal to make Congressionally authorized expenditures for needed programs is sapping our economic strength.

This Republican Administration and its supporters --- like my Republican opponent must bear the responsibility for these facts.

Apart from the need to preserve the peace of the world, the future of our cities is the greatest single challenge confronting the American nation in the last third of the 20th Century. Our response to this challenge will undoubtedly not only determine history's evaluation of our civilization, but more significantly it will shape our lives over the next thirty years.

I have frequently called for a "Marshall Plan" for our cities.

Solutions must be fashioned in the context of a National Urban Strategy.

Implementation of a national strategy will require commitment of federal funds substantial in amount and regular in availability. Those funds could be provided from the "growth dividend" in our economy, but not as long as this Republican Administration maintains a "no growth" economic policy.

A continuation of these Republican restrictive economic policies runs the risk of losing one billion dollars per week in American productive potential in 1971.

As part of our urban strategy, we need a National Urban Development Bank with subsidiary Regional Banks financed through subscription of public and private funds. The Bank would underwrite the unusual risks inevitably involved in meeting the hardest and most critical problems. Federal funds would be appropriated to get the Bank started. The balance of the funds would come from the federally-guaranteed securities sold by the Bank to private investors.

Control of land use is the key to influencing the pattern of future development. Yet America today has only the fragments of a National Urban Land Policy.

There is not only ample precedent for adoption of national policies relating to land use; there is compelling need. The doubling of our urban population projected within the next generation will necessitate space for a tripling of the nation's urban areas.

We can provide tax and other incentives for the building of low and middle income housing, through a National Urban Homestead Act to subsidize the land costs for qualified private housing developments to allow the use of relatively high-priced urban and suburban land.

Effective implementation of these programs and policies requires that we come to grips with the problem of in-migration.

We can and must take action to eliminate government-created incentives which pull people into the cities where there are no jobs. And we can provide a new system of incentives which makes it possible for families to move from distressed areas to growing communities ---

just as such incentives are now provided to bring industry into local communities. The use of the investment tax credit to encourage business development in new towns and areas designated as development areas should be re-enacted. This, coupled with a much larger Economic Development Administration, could initiate a revitalization of our countryside and our inner cities.

We need a more efficient system to provide job information and related services to residents of high unemployment areas.

We must have job data banks and a nationwide computerized comprehensive manpower system to accomplish this.

What I have proposed here is but a beginning in the long road to match performance to promise, reality to vision.

We are a nation of builders. We have already carved a great civilization out of the wilderness. Our achievements remain the unfulfilled goals of countless millions. Were we to do no more, our mark in history of mankind would be assured.

Our obligations, however, are not to history but to ourselves and to our children.

We must lift our sights. Minnesota in the year 2000 must be our vision. With that as our goal we will deal more effectively with today.

The same energy, the same imagination, the same courage that has typified the American spirit in the past must now be focused on this challenge.

#



Minnesota Historical Society

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

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



www.mnhs.org