

# HUMPHREY '72

# NEWS

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## HUMPHREY SAYS MCGOVERN'S WELFARE PLAN WOULD COST TAXPAYERS \$115 BILLION

LOS ANGELES, May 30---Senator Hubert H. Humphrey said today that Senator George McGovern's current "welfare giveaway plan" would cost the American taxpayer an additional \$115 billion.

Speaking to business and civic leaders in a Town Hall luncheon meeting in the Biltmore Hotel, Humphrey said that the additional cost would be paid by increases in the personal income tax.

McGovern's proposals not only are an "unbelievable burden on middle income families" Humphrey said, but they lack work requirements and they make more than 500,000 blind, disabled and aged Californians worse off than under present welfare programs.

Humphrey proposed his own welfare reforms including increases in social security benefits, federalization of welfare, jobs and minimum benefits of \$3,000 a year for a family of four based on need.

FOLLOWING IS THE TEXT OF HUMPHREY'S REMARKS:

--More--

TEXT OF SENATOR HUMPHREY'S SPEECH TO TOWN HALL LUNCHEON

BILTMORE HOTEL, LOS ANGELES

MAY 30, 1972

Every person who lives in California is somehow affected by the massive welfare system of this state. There's no getting around it. The citizens of this state either pay the cost of welfare or receive its benefits. The welfare system touches everyone.

And California has the nation's number one welfare problem. There are more people on welfare in California than in any other state. And more is spent by California taxpayers on welfare than by citizens of any other state in the union.

As a candidate and as your President, I want to tackle the problem in a compassionate and reasonable way.

The people want an answer to this welfare mess.

They expect a man who wants to be President of the United States to have a realistic, sensible welfare program.

Today, I want to do two things.

I want to outline a reasoned, sound welfare program--one that will meet the needs of those who truly require help, while at the same time not increase taxes on the middle income families.

And, I want to match my programs against Senator McGovern's welfare program. I want to put these two programs before the people of California so that they will see that there clearly is a difference.

The people of California have a right to ask:

--What is Senator McGovern's true welfare program?

The fact is--he has two programs and both mean higher taxes for middle income families.

Senator McGovern, on July 29, 1971, introduced a welfare bill in the United States Senate. This program will put 104 million persons on the welfare rolls and, according to the Senate Finance Committee, it will cost American taxpayers \$72 billion.

This bill will provide a \$6,500 guaranteed annual income for every family of four.

In our debate last Sunday, Senator McGovern claimed that this was not his proposal, and that he introduced this legislation at the request of a welfare group.

Now that Senator McGovern has abandoned and publicly disavowed the \$72 billion welfare proposal, we can focus on his second proposal.

According to Senator McGovern's new proposal, everybody in the United States will get a \$1,000 welfare check from the United States Treasury.

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As he said on May 25, 1972:

"It wouldn't make any difference what your income was, you'd still get that \$1,000 a person." (Liz Drew Show).

Regardless of your need, regardless of how much wealth you have, under the McGovern program a government handout would still come to you, just the same as it would come to billionaire Howard Hughes.

I think the people of California have a right to know some fundamental problems with this scheme.

First, the cost.

On our Sunday debate, Senator McGovern said, "I have proposed nothing in the way of welfare reform or defense reform or full employment or anything else without providing a method for financing it."

Yet, he refuses to tell the people of California how much his welfare handout scheme will cost or who will pay how much.

He has said he doesn't have an "exact estimate on this proposal."

I find this statement unbelievable.

Maybe I can help all of us determine the approximate cost of his program to the taxpayers.

Simple arithmetic tells us that \$1,000 paid to every man, woman, and child in the United States times 210 million Americans equals \$210 billion.

I am well aware that Senator McGovern does not intend for the treasury to lose the whole \$210 billion.

He does have some suggestions as to how the treasury might get some of it back. Here are a few:

--He suggests eliminating every taxpayer's personal exemption of \$750. This act, unwise as it is, would bring \$63 billion back into the treasury.

Senator McGovern's program now costs \$147 billion.

--He suggests scrapping the present welfare system. That would return \$7 billion to the treasury.

Now Senator McGovern's proposal would cost \$140 billion.

--From this point, he makes suggestions but doesn't specify dollar amounts that could be returned to the treasury. For example, he says money from the social security trust fund might be used to finance this \$1,000 welfare giveaway program.

I am opposed to tampering with the social security system. I believe this is contrary to the best interests of 20 million Americans now receiving social security, and to the rest of us who hope to be beneficiaries of this system.

The question now is--who pays the \$140 billion bill?

Economists tell me that the government can be expected to recoup a maximum of about \$25 billion in excess income taxes resulting from the additional income the McGovern's giveaway puts in the taxpayers hands.

This still leaves \$115 billion.

Senator McGovern says that he will let the rich and the big corporations pay for this cost.

But after some businessmen criticized him, last week he placed a full page ad in the Wall Street Journal, in which he retreated from his earlier positions of increasing the corporate tax rate from 48 to 52 per cent.

So apparently he does not want corporations to pay for this \$115 billion.

Again, I want to ask--who pays the \$115 billion bill?

The answer now is--the individual taxpayer--you and I.

Senator McGovern's experts, however, do not accept my figures of about \$115 billion additional cost to the American taxpayer. At a special briefing his experts held for the press last Saturday on the McGovern welfare scheme, some of them said that the total figure would be \$60 billion.

Even if we assume the \$60 billion McGovern figure--and let us do so for a moment--the Senate Finance Committee staff tells me that the added cost to the American taxpayer can be translated into these human terms:

--To the single secretary, living in San Francisco, making \$8,000 a year, the committee says the McGovern plan means an increased tax of \$567.

The unmarried persons suffers most under Senator McGovern's plan.

--To a family of four living in Long Beach, making \$12,000 a year, the McGovern proposal would increase their income tax by \$409.

--To a family of four making \$15,000, the McGovern tax would be \$588.

The Senate committee calculated these figures from basic data provided by Senator McGovern's own proposal.

It's clear that the McGovern \$1,000 welfare scheme puts the burden of paying for welfare where it has always been--on the middle income working family.

The cost is simply unbelievable. But there are other serious flaws in his approach.

What happens to the work requirement that must be a part of a welfare system?

He says that under his scheme, welfare is an automatic system.

"There would be no requirement to work anymore than there is now a requirement to work. You can't force somebody to work if they don't want to work."

But if people are able-bodied, and there are jobs, they should work and not receive a \$1,000 welfare benefit.

And they want to work!

Senator McGovern's scheme is to share the welfare, but not share the work program.

Finally, under Senator McGovern's proposal, the over 500,000 blind disabled, and aged Californians who now receive public assistance would be worse off than under the present system.

Right now, they receive on an average of \$178 a month.

Under Senator McGovern's proposal, they would get a \$1,000 a year, or \$85 a month--his plan would take away \$93 a month from every aged, blind, and disabled person unless the state out of its own tax funds supplemented this payment.

This is hardly reform. And it strikes against those who can least help themselves.

In contrast to Senator McGovern's program, let me outline my proposal for welfare reform.

Its aim is to end hunger, to strengthen the family, to cut the bureaucracy and red tape, to provide jobs, eliminate fraud, and treat recipients and taxpayers fairly.

First, we need an immediate 25 per cent increase in social security benefits.

Second, we can take the five million elderly poor, provide them with a basic assistance benefit to lift them immediately above the poverty line.

Third, I want an immediate increase in the food stamp budget, so that we could really begin to wipe out hunger in the United States.

In California, there are an estimated 300,000 hungry children and 100,000 hungry adults.

Four, I propose important and far reaching changes in the present welfare system.

--We will phase out the present welfare system.

--It will be replaced with a welfare program paid for and run entirely by the federal government, thereby removing it as a burden on state and local governments.

--it will establish a beginning basic benefit level of \$3,000 a year for a family of four. But this benefit will not go to every family in this nation. It will be restricted to those in need. There will be firm and suitable work requirements.

--We will guard against fraud and deception through careful scrutiny of those who apply and continuous review of those who receive a benefit.

My welfare proposal will include day care centers and expanded job and training programs to help people get off welfare.

And finally, but crucially, it would provide jobs--by stimulating the private sector and through a program of public service job opportunities.

This program I have outlined is responsible--it is realistic, and can be passed by the Congress and accepted by the American people.

It provides needed financial relief for the homeowners of California by federalizing the costs. It provides hope for the 1.5 million Californians on welfare and it does not create a permanent welfare population.



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