

REMARKS OF  
SENATOR HUBERT H. HUMPHREY  
NATIONAL LEGISLATIVE CONFERENCE  
CHICAGO, ILLINOIS  
August 9, 1973

Today I speak to you as a fellow practitioner in the field of legislation. I lay no claim to being an expert. I am a pragmatist. I hope I am practical. I understand, as I am sure you do, the difficulties that we face in legislative chambers. I have spoken to many of our young people to indicate to them that the art of compromise in legislation does not mean the abandonment of principle. It means the evolution of progress and I hope that we, as individuals in our respective roles, whatever that role may be, would understand that we have some common goals and common purposes.

Three years ago I spoke to some of you in San Juan and two years ago up in Minneapolis. What I said at these places can be said once again. Government is facing its moment of truth. No man or woman in public life is immune from the feeling of disenchantment, discouragement, anger and distrust that seems to be growing in this nation of ours because of developments that are shameful and scandalous.

In addition, we continue to face the same old questions. We must ask ourselves: "Can our political institutions respond to unresolved and continuing problems of the mobile, vast, industrialized, urbanized America?" We cannot turn back the clock. We all know the hard facts of life. Nobody needs to list them. We are plagued with problems that only a few years ago we could ignore: air and water pollution, traffic congestion.

Who would have ever dreamed of an energy shortage or a food shortage in America? Problems of social services and law enforcement and welfare and health care education. Every one of these is on the front burner and

will continue to be there. The cost of paying for all of this is heightened by a cruel and continuing inflation. And yet we are not dealing with these tremendous problems. And you and I know we are not dealing with them. I doubt that the old approaches are enough and surely turning back and pretending it is all over is not enough; you do not solve the urban crises by proclaiming that it is over.

The purpose of government is to secure the blessings of liberty for ourselves and our posterity. The purpose of government is to establish justice, to ensure domestic tranquility, to provide for the common defense and to promote the general welfare. That is what is written in the Constitution. And what the Constitution says is as important as what it doesn't say. There is nothing in the Constitution that protects government from the people. But there is a lot in the Constitution that protects the people from the government. There is nothing in the Constitution that talks about law and order. There is something in the Constitution that talks about law and justice. There is nothing in the Constitution that talks about surveillance or secrecy or executive privilege, but there is and there are words in the Constitution that say "we, the people" not "we, the president, not we, the senator, or we, the governor or legislature" but "we, the people". Those who wrote that Constitution placed emphasis on the duly elected representatives of the people. Whenever there is an executive who disdains the legislative branch, that disdain and contempt flows to the people themselves. There is a doctrine of popular sovereignty in this country; and it needs to be remembered.

But the average citizen isn't acquainted with all the political theories. So when we say "Federalism" to him, he doesn't really quite grasp its meaning. All he knows is that taxes are high and not much happens when he has a complaint. To him, government is politics and politics is government, and all the explanations of national, state and local agencies add up to one

thing -- more politics and more politicians and more government.

We must ask ourselves how do we, who are supposed to be somewhat knowledgeable, make this system work? Well we can't make it work through confrontation. That makes for headlines. We can't make it work by isolation. We can't pretend that there are neat compartments: over here is the Federal government; over there is the state government; and over there is the local government.

We know that Federalism means, above all, cooperation. It functions best as a partnership between governments. No problems are purely Federal or state or local.

- welfare, once a local problem must now be a Federal concern also because variations in payments create mass movements of people;
- local streets connect with a national high speed road system;
- garbage collection, what could be more local? But it is a national problem because no place can be found to dispose of vast accumulations of solid waste;
- education takes on national importance because a nation is great by the number of intelligent, creative people it possesses.

We have got to find a middle ground. Those who insist that categorical grant programs alone can solve these problems are wrong. And those who believe that only revenue sharing will solve these problems are also wrong.

None of us has exclusive jurisdiction. What we need is both a sense of accommodation to each other, as well as a respect for our respective roles.

But I say that the so-called "New Federalism" has become "Neglected Federalism". And I want to document my case. I supported revenue sharing. I was the co-author of it in the United States Senate. Revenue sharing, indeed, has been a boon to state and local government. But I also know what we legislated. And I know what the President said when he signed it. He proclaimed revenue sharing as new money; over and above all other Federal grants. And that is what we in the Congress intended.

But virtually every state found their budgetary process in this session of the legislature in trouble because #1: revenue sharing was stretched and stretched and stretched to cover everything; and #2: the impoundment procedure exercised by the executive branch of the government started to distort the whole budget picture. Now you can't have any New Federalism by impounding funds duly appropriated by the Congress of the United States. That will not work.

The power of a legislative body is the power of the purse. We are not going to be always wise with it. Presidents aren't very wise. Nor are all governors. We are fallible. But the elected representatives of the people are empowered under Constitutions, state and Federal, with the power of the purse. And we are entitled to make mistakes as well as to have strokes of genius. If we make mistakes, we pay for it at the ballot box.

Further, no President of the United States can take that sentence out of the Constitution which says that he "will faithfully execute the laws of the land"; or interpret the word "execute" to mean "kill".

James Madison, in the Federalist Papers, put it this way: "This power over the purse may, in fact, be regarded as the most complete and effectual weapon with which any Constitution can arm the immediate repre-

sentatives of the people, for obtaining a redress of every grievance, and for carrying into effect every just and salutary measure."

So the central issue is whether our nation will be governed by one man rule or by the Constitutionally-established process of representative government -- by laws and not by men. It is a tragic irony that our current Constitutional crisis has been precipitated by the over-reaching of a President who is a self-proclaimed strict constructionist and an exponent of New Federalism.

My views on impoundment are pretty well known. I happen to believe that it's illegal. It can and does alter, change and terminate programs. It revises public policy. It performs the function of an item veto; a device prohibited by our Constitution. The fact that other Presidents have withheld funds from programs approved by the Congress doesn't make it right.

"Policy impoundment", which has been invented by this Administration, withholds funds not merely to effect savings, not merely to prorate the rate of expenditure over a long period of time, not as directed by Congress, nor as Commander-in-Chief, but because the President or the Office of Management and Budget has decided that programs do not reflect Administration priorities. These are impoundments used to change the law, repeal the law and defeat legislative intent. It's a method for substituting "executive will for legislative purpose.

Housing programs are delayed. Rural housing is cancelled. Rural electrification rates are changed. Maybe the Congress was wrong in maintaining a 2% rate on rural electrification loans but we give a better rate to people overseas. We extend them a ten year grace period. The President didn't impound those overseas funds. But when it came to

farmers, he said "that's wrong" and impounded all the funds.

Now, if the law's wrong, there's a way to change it. That is in the legislature. Let me warn this legislative assembly, if Presidents can get by with it, governors will try it. It's a precedent that you cannot afford.

Until last fall when we passed the Impoundment Information Act, we didn't even know how much was impounded. It was neither explained, reported or justified. It was simply done. Impoundment violates the separation of powers. I find myself in agreement with the Associate Justice of the Supreme Court, the former Assistant Attorney General, Mr. Rehnquist. While he was Assistant Attorney General, he responded to the suggestion that the President has a Constitutional power to decline to spend appropriated funds. He said, "We must conclude the existence of such broad power is supported by neither reason nor precedent."

We in Congress also went to the courts. I am happy to report that since January of this year, the District Courts in seven states and the District of Columbia and the Court of Appeals ruled 20 times against the President in 21 impoundment cases. They said the impoundment was illegal and unconstitutional.

If the President succeeds in stripping the Congress of the power of the purse, it won't be long before that power (which is the power that belongs to the elected representatives of the people) will soon be appropriated by executives at every level.

But what can we do as legislators to prevent this illegal executive infringement on the rights and responsibilities of the legislative branch of government? We must persevere. We must defend the Constitutional authority of the legislative branch in the Congress, in the press, and in our communications with the executive. And that we must defend Congres-

sional power of the purse in the courts.

In the last eight months the Congress has:

- established minimum levels of accomplishment with appropriated funds;
- included mandatory language in more of our appropriation bills;
- passed legislation in both houses establishing impoundment procedures to affirm or reject any fund withholding;
- gone to court to force the President to use the appropriated funds.

It has been said that state governments are an anachronism. Other studies judge the U.S. Congress to be hopelessly out of date. You have all heard the blistering attacks upon legislative bodies. I don't think we ought to get defensive. We should do what needs to be done. Appropriate the funds that are necessary for proper staffing.

Research, information, communications -- the openness which the people deserve in legislative assembly. And we need more budget reform and control at the Congressional level; a job of structural reorganization. We have a job of budget preparation and monitoring of programs. I believe that monitoring is not just a General Accounting Office function. I have also been interested in the budgetary process for a long time.

The Office of Management and Budget is now deciding whether or not programs that we authorize should be carried out. We have huge programs for urban centers -- not a mayor is consulted. We have programs relating to state planning -- not a state planning agency is consulted. I have yet to find a governor who has been called in by the Bureau of the Budget and

asked "What do you think is needed in your state?" No, these budgets are prepared in-house by a group of people who live in a kind of an accountant's catacomb.

They get their information from their district offices and the district office information is filtered up through the departments. The filtering process is very good -- all humanity is filtered out by the time it gets to the top.

A budget of the Federal level of government of \$268 or \$270 billion ought not to be prepared just by a Cabinet and the President and an Office of Management and Budget. It ought to have the input of state legislative bodies. It ought to have the input of mayors and governors. It ought to have the input of people who live in these communities: labor movements, Chambers of Commerce, educators.

Our Federal system is uniquely successful in the world. But I must say we need our creative talents as never before to utilize our Federal system. Let me describe some proposals I have been working on. I need your support.

I want to see us establish a Federal-State Legislative Council. This bill, S. 1099, creates a permanent, 24 member, bi-partisan council. The council will explore and research problems common to the legislative process. It will study legislative management, communication between Congress and the respective state legislatures, substantive program evaluation and issues of Federalism. We need to scrutinize the relationship between legislative and administrative bodies, coordination of program administration, Federal preemption, intergovernmental taxation and budgets.

The council was never more needed than today. Legislative institutions are being tested and challenged. State and Federal legislators

must recognize that they share the same future. We, in Congress, must work with state legislators, most recent Federal programs require active state cooperation. Progress on air and water pollution, better education, cities' programs or the problems of rural America -- all depend on what state legislatures are willing to do.

We are fellow policy-makers. We are the only direct representatives of the people. We must be in touch with each other. National legislation must be rather broad in principal, but it also must be adapted to fit the state and the community, and here is where you come in with your advice and with your counsel.

Another proposal I'd like to see is a better way to finance public structures. You've got to come now to the Congress every time you want some extra funds for public works. We've got the World Bank, the Inter-American Development Bank, the Asian Development Bank, the Central American Development Bank, the International Development Association, the U.N. Development Fund. We've got something for everybody except ourselves.

We need, for the financing of many of the public works that are vital to the health of our community, a National Domestic Development Bank. I need your help to get it done. Why the average municipal bond in this country is less than 15 years. If we had to build homes with 15 year mortgages, we would be living in teepees or sod huts.

In Sweden and Germany they have a bank such as I am talking about with loan terms of 100 years. Some have terms for 40 and 50 years. That's why they finance new cities. That's why they finance transit systems. That's why their Mark today is good and their Crown and Kroner is good, because they put some sensibility into public financing. The need for new schools and new housing and new communities requires some new methods

of public financing. Our country is privately rich but publicly poor. It is poor because capital is not readily available. We have no program to put capital to work in the public sector.

The National Domestic Development Bank will be a new source of capital for public development, particularly by state and local government. It will cushion the hardships of a fluctuating credit market. Its purpose is to assure that programs of broad social benefit get appropriate economic support. State and local governments now must undertake better social planning and protect the environment on their own. They get no encouragement from the national Administration.

The National Domestic Development Bank will offer long-term loans at low rates of interest. The bank's regional offices will offer planning and technical assistance. State and local government people will help operate these regional offices.

We need the same thing for rural development in America. Rural America -- and there's rural America in New Jersey and Connecticut and Delaware and Rhode Island, just as there is in Minnesota, Nebraska, North and South Dakota, and Wisconsin -- rural America needs attention. We cannot permit it once to be drained of its manpower and twice of its resources. It needs attention.

Another problem which needs our tireless cooperation for solution is the renewal process in our cities. The Housing Act of 1949 created the urban renewal program. During the 24 years since the passage of that Act, we have learned a good deal. It is clear that the program has not accomplished all that we hoped for it. On the other hand, it has done simply wonderful things in many cities. In the Twin Cities of Minneapolis and St. Paul the renewal program has had impressive results.

We, as a nation, still struggle with the problems of how to eliminate slums -- build new housing for poor people without creating slums in the future. It is a constant problem. One that will not go away if we ignore it.

I favor a new program which gives much more flexibility and authority to the local people. But I do not favor merely another special revenue sharing grant. We can give more money by merely expanding the general revenue sharing program we already have.

Instead of urban renewal agencies as we know them, we need something better: a working partnership of all levels of government and private investment and entrepreneurs. I would create a system of urban area development corporations. Present urban renewal agencies would become quasi-public corporations. The private sector would be involved across whole urban areas.

The operative power for these urban area development corporations must come from state law. The corporations must have the support of the Federal government interest subsidies, guarantees, tax incentives and technical assistance. But they will only be effective if state legislatures give corporations the powers which are necessary for rehabilitation and redevelopment work. The power to issue bonds, prepare and execute developments plans, exercise powers of eminent domain to buy and sell property, to rebuild neighborhoods. The bulldozer is not the only instrument that's available. We can rebuild as well as tear down and build anew.

Furthermore, it is necessary to have a Presidential representative for every region in this country to coordinate the programs. We send a Presidential representative to NATO, we send a Presidential representative to OECD. We send a Presidential representative as an ambassador to every

country to coordinate all of the same agencies that are out in our respective states. But we have no Presidential representative for our people; that is, someone who speaks for the President and has the power of coordination -- who can bump heads together and get some answers for people who need answers.

We need regular meetings between the President and the governors. There must be open and frank opportunity to discuss the problems of policy and administration. Presidential luncheons and dinners are no substitute for planned organized work sessions which modern governmental coordination requires.

Local governmental leaders should meet regularly with the Vice President, the Speaker of the House and the Majority and Minority leadership of the House and Senate.

An Office of Balanced National Growth and Development which will embrace all levels of government as well as private enterprises should be created. We're the only modern industrialized nation on the face of the earth without any planning. We're the only country without any system other than the Office of Management and Budget for setting the priorities and goals of this country. Congress must equip itself, too, to work toward national goals that it has written into law.

Finally, states and localities must work far more diligently at putting their own houses in order. This involves a searching re-examination of taxing policies, land use and ownership policies and the organization of agencies and departments, Constitutional reform and modernization.

We must encourage the further development of councils of governments. These councils are a way to preserve local autonomy where that is appro-

priate, and to maximize the use of common facilities and services.

Each state government should create a new department for community development -- the functional equivalent at the state level of the Federal government's Department of Housing and Urban Development.

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AUGUST 9, 1973

WHEN I SPOKE TO THIS GROUP THREE YEARS AGO, I TOLD YOU THAT AMERICAN GOVERNMENT WAS APPROACHING ITS "MOMENT OF TRUTH." MY FRIENDS, THAT MOMENT HAS ARRIVED. WE ARE AT A UNIQUE PERIOD IN THE HISTORY OF THE AMERICAN PEOPLE AND THEIR EXPERIMENT WITH DEMOCRATIC GOVERNMENT.

NOT SINCE THE CIVIL WAR HAS THIS NATION FACED SUCH A GRAVE AND PROFOUND CRISIS REGARDING THE BASIC PRINCIPLES OF GOVERNANCE ESTABLISHED IN OUR CONSTITUTION.

NOT ONLY DO WE HAVE AN IMMINENT CONSTITUTIONAL CRISIS ON THE QUESTION OF "EXECUTIVE PRIVILEGE" REGARDING THE WATERGATE TAPES, BUT PERHAPS MORE IMPORTANTLY, WE FACE THE CONTINUING CONSTITUTIONAL CRISIS CREATED BY EXECUTIVE IMPOUNDMENT OF  
CONGRESSIONALLY APPROPRIATED FUNDS.

Peterson draft  
8/06/73

NATIONAL LEGISLATIVE CONFERENCE

CHICAGO

August 9, 1973

mdj 2/20/79

I spoke to this group three years ago. I told you that American government was facing its moment of truth. It was a crisis. Today that crisis is worse.

More than ever we face questions: Can our government cope with new demands? Can our political institutions respond to the unsolved problems of a mobile, vast, urbanized and technological society?

Issue

The hard facts of life are known to each of you. <sup>We</sup> ~~our~~ life

are plagued by air and water pollution, traffic congestion, energy shortages, slums, violence, crime — ~~II~~

The need for social services, law enforcement, welfare, health care and education is increasing.

The costs of paying for this is heightened by a cruel and continuing ~~unnecessary~~ inflation. ~~Revenues of our governments fall behind~~

~~expenditures.~~ The economic crisis is deepened by the on-off, stop-start, frantic economic policy of this Administration.

Unemployment is almost 5% -- while the economy runs at its peak. Tight money brings impossible interest rates for homebuyers, small businessmen.

Surely we can't admit either incompetence or failure. We have the means and the resources. The question is do we have the will -- the purpose and the courage to stake out the priorities?

~~The laundry list of problems that government must face is just as long as it was in 1970. The flight from the cities to the suburbs and beyond continues to produce new problems. Our rural areas continue to deteriorate -- <sup>there</sup> ~~this~~ is an outrageous waste of human and national resources.~~

Government at all levels seems unwieldy, unresponsive and ineffective. While it is big and costly, it cannot assure citizens of the most basic services -- the security and protection of life and property.

Is it any wonder that the citizen is confused and angry?

He asks who or what is the responsible authority? Who does a citizen call when something goes wrong? The Mayor, the Governor,

Govt - is not a state owned  
as the Govt!

the Legislator, the County Supervisor, his Congressman or  
Senator? He often doesn't know -- and, if he does know, the  
governmental authorities often fail to respond.

Mr. average citizen doesn't have a PhD in political science.  
He isn't acquainted with all the political theories about the  
Federal system. All he knows is that his taxes are high, and  
not much happens when he has a complaint. To him, government  
is politics and politics is government. And all the explanations  
of our national, state, and local agencies add up to but one  
thing -- more politics and more politicians. - more Govt.

And so, fellow politicians, I put the question to you:

What are we going to do about it? - make Fed System work

New Federalism

Well, one thing we must do is make our Federal system work.  
We need to hear about a new Federalism. Its power to  
solve problems was touted from one end to the other. We don't  
hear about it any more. The new Federalism has become the  
neglected Federalism.

What is neglected Federalism? Let me tell you. It is the  
\$1 billion which the President refused to spend for health and  
medical education.

We are fellow Policy Makers -  
We must be int + such with each other.

Congress - National Legislation  
Broad - Requires adaptation  
to fit State & Local Community

*you see,*

Federalism means cooperation. It functions best as a partnership between governments.

No problems are either purely Federal or purely local any more.

- welfare, once a local problem must now be a Federal concern also because variations in payments create mass movements of people.
- local streets connect with a national high speed road system.
- garbage collection is a national problem because no place can be found to dispose of vast accumulations of solid waste.
- Education takes on national importance because a nation is great by the number of intelligent, creative people it possesses.

and I could go on and on.

↳ We have got to find a middle ground. ↳ Those who insist that categorical grant programs alone can solve these problems are wrong. And those who believe that only revenue sharing will solve these problems are also wrong. *We've heard much about*

*new Federalism - but new Federalism has become  
Deafened Federalism*

~~yes mentioned that the New Federalism has~~  
become the neglected Federalism —

Namely, the -2- Executive Impairment  
of Congressionally Appropriated  
Funds.

IT IS THIS LATTER ISSUE THAT I WOULD LIKE TO DISCUSS

~~BRIEFLY WITH YOU TODAY.~~ Funds for State Budgets

I BELIEVE THAT THE RESOLUTION OF THIS BASIC CONFLICT WILL  
DETERMINE THE ESSENTIAL NATURE OF AMERICAN GOVERNMENT IN THE  
YEARS TO COME —

↳ FOR, AS JAMES MADISON POINTED OUT IN FEDERALIST PAPER  
#58:

"THIS POWER OVER THE PURSE MAY, IN FACT, BE REGARDED  
AS THE MOST COMPLETE AND EFFECTUAL WEAPON WITH WHICH ANY  
CONSTITUTION CAN ARM THE IMMEDIATE REPRESENTATIVES OF THE  
PEOPLE, FOR OBTAINING A REDRESS OF EVERY GRIEVANCE, AND FOR  
CARRYING INTO EFFECT EVERY JUST AND SALUTARY MEASURE."

THE CENTRAL ISSUE IN THIS CONFRONTATION, AS I SEE IT,  
IS, "WILL OUR NATION BE GOVERNED BY 'ONE MAN RULE,' OR WILL  
THE CONSTITUTIONALLY ESTABLISHED PROCESS OF REPRESENTATIVE  
GOVERNMENT 'BY LAWS, NOT MEN' PREVAIL?"

INDEED, IT IS A TRAGIC IRONY THAT THIS CONSTITUTIONAL  
CRISIS HAS BEEN PRECIPITATED BY THE OVERREACHING OF A

PRESIDENT WHO IS A SELF-PROCLAIMED "STRICT CONSTRUCTIONIST" *and*  
*an exponent of New Dealism.*

MY VIEWS ON IMPOUNDMENT, AS PRACTICED BY THE NIXON  
ADMINISTRATION, ARE WELL KNOWN. I BELIEVE IMPOUNDMENT TO BE

ILLEGAL. (~~Obstruction~~)

↳ IT CAN AND DOES ALTER, CHANGE OR TERMINATE PROGRAMS.

↳ IT REVISES PUBLIC POLICY.

IT PERFORMS THE FUNCTION OF AN ITEM VETO -- EXPRESSLY  
PROHIBITED BY OUR CONSTITUTION.

↳ DURING THE HISTORY OF OUR NATION, OTHER PRESIDENTS HAVE  
WITHHELD FUNDS FROM PROGRAMS APPROVED BY THE CONGRESS.

*(Anti-Deficiency Act)*

HOWEVER, THESE WERE OF A VERY DIFFERENT NATURE FROM WHAT I  
CALL THE "POLICY IMPOUNDMENTS" INVENTED BY THE NIXON  
ADMINISTRATION.

POLICY IMPOUNDMENT HAS RESULTED IN SUBSTANTIAL CUTS IN  
PROGRAMS SUCH AS HOUSING, WATER AND SEWER GRANTS, AND  
education - Research  
MEDICAL HOSPITAL CONSTRUCTION - THEREBY CHANGING LEGISLATIVE  
INTENT.

UNDER POLICY IMPOUNDMENT, FUNDS ARE WITHHELD NOT merely to  
EFFECT SAVINGS, NOT AS DIRECTED BY CONGRESS, NOT AS  
COMMANDER IN CHIEF, BUT BECAUSE THE PRESIDENT HAS UNILATERALLY  
DECIDED TO IMPOUND MONEY FOR PROGRAMS THAT DO NOT REFLECT HIS  
PRIORITIES. - there are impondments

used to change law, repeal law  
or legislative intent - Nonveto

L IT IS A METHOD OF SUBSTITUTING ~~UNILATERAL~~ EXECUTIVE WILL FOR  
~~DETERMINED~~, LEGISLATED PURPOSE.

SINCE-1970, PRESIDENT NIXON HAS CONSISTENTLY IMPOUNDED  
EIGHT TO \$12 BILLION IN CONGRESSIONALLY APPROPRIATED FUNDS  
EACH YEAR.

L AND, UNTIL LAST FALL WHEN CONGRESS PASSED MY IMPOUNDMENT  
INFORMATION ACT, THE PRESIDENT NEITHER EXPLAINED, REPORTED,  
NOR JUSTIFIED EXECUTIVE IMPOUNDMENT L HE SIMPLY DID IT.

L POLICY IMPOUNDMENT IS EXECUTIVE ARROGANCE.

L IT ENCROACHES UPON THE CONSTITUTIONAL PREROGATIVES OF  
CONGRESS.

L IT VIOLATES THE SEPARATION OF POWERS.

AND, IT GIVES THE PRESIDENT AN ITEM VETO -- NEITHER  
SANCTIONED BY THE CONSTITUTION NOR GRANTED BY CONGRESS.

I FIND MYSELF IN ~~COMPLETE~~ AGREEMENT WITH PRESIDENT NIXON'S  
OWN FORMER ASSISTANT ATTORNEY GENERAL, AND NOW SUPREME COURT  
JUSTICE, WILLIAM H. REHNQUIST, REGARDING THE CONSTITUTIONALITY  
OF PRESIDENTIAL IMPOUNDMENT. IN A MEMORANDUM PREPARED WHILE  
MR. REHNQUIST WAS WITH THE DEPARTMENT OF JUSTICE, HE STATED:

"WITH RESPECT TO THE SUGGESTION THAT THE  
PRESIDENT HAS A CONSTITUTIONAL POWER TO DECLINE  
TO SPEND APPROPRIATED FUNDS, WE MUST CONCLUDE THAT  
EXISTENCE OF SUCH A BROAD POWER IS SUPPORTED NEITHER  
BY REASON NOR PRECEDENT."

I BELIEVE THAT THE PRESENT CONSTITUTIONAL CRISIS IS A DELIBERATE AND CONSCIOUS ATTEMPT BY THE PRESIDENT OF THE UNITED STATES TO CONCENTRATE THE "POWER OF THE PURSE" IN THE HANDS OF THE EXECUTIVE.

THE PURPOSE OF THIS POLICY IS NOT TO PROTECT THE PUBLIC INTEREST, BUT TO SANCTIFY AN IDEOLOGY AND IN SOME CASES TO PROTECT SPECIAL INTERESTS.

~~THIS USE OF IMPOUNDMENT FOR POLICY PURPOSES BY THE EXECUTIVE IS OBVIOUS FROM A BRIEF REVIEW OF THE PROGRAM AREAS IN WHICH FUNDS HAVE BEEN WITHHELD. THESE INCLUDE LOW AND MODERATE INCOME HOUSING, URBAN RENEWAL, EDUCATION, INDIAN EDUCATION, CLEAN WATER FUNDS, MENTAL HEALTH, NEIGHBORHOOD YOUTH CORPS AND CHILD NUTRITION, TO NAME BUT A FEW.~~

*Medical research, Nurse Training,*

THE PATTERN OF IMPOUNDMENT ONCE AGAIN MAKES IT CLEAR THAT THE

PRESIDENT DOES NOT KNOW OR UNDERSTAND THE "OTHER AMERICA":

-- THE AMERICA OF COMPASSION FOR ITS POOR, ITS HUNGRY,

AND ITS SICK.

-- THE AMERICA OF DEVOTION TO HELPING OTHERS HELP THEMSELVES.

-- THE AMERICA OF GREAT WEALTH, CAPABLE OF GREAT DEEDS, IF

ONLY CALLED TO DO SO.

-- THE AMERICA THAT IS NO LONGER CONTENT TO BE PUBLICLY

POOR AND PRIVATELY RICH.

-- THE AMERICA THAT UNDAUNTINGLY PURSUES THE IDEALS OF

SOCIAL, ECONOMIC AND POLITICAL JUSTICE AND EQUALITY WHICH

HAVE MADE OUR NATION GREAT.

THIS IS THE "OTHER AMERICA" WHICH OUR PRESIDENT CANNOT APPRECIATE, BUT IN WHICH MOST AMERICANS TAKE PRIDE.

THE EXECUTIVE, THROUGH POLICY IMPOUNDMENT, ~~WOULD TAKE~~ UNTO HIMSELF ALONE THE RESPONSIBILITY AND AUTHORITY TO DECIDE WHAT THIS GOVERNMENT WILL UNDERTAKE AND HOW IT WILL BE DONE.

~~I SUBMIT THAT~~ THIS IS AN ILLEGAL USURPATION OF THE POLICY AND PRIORITY SETTING ROLE OF THE CONGRESS FIRMLY ESTABLISHED IN THE CONSTITUTION ~~BY OUR FOUNDING FATHERS.~~ <sup>and</sup> AS SUCH, IT SIMPLY CANNOT BE TOLERATED.

BUT, WHAT CAN WE DO AS LEGISLATORS TO PREVENT THIS ILLEGAL EXECUTIVE INFRINGEMENT ON THE RIGHTS AND RESPONSIBILITIES OF THE LEGISLATIVE BRANCH OF GOVERNMENT?

Now what can we as legislators do to prevent this illegal executive encroachment on the Rights & Responsibilities of the legislative branch.

LAST JANUARY, IN A SPEECH AT THE UNIVERSITY OF VIRGINIA LAW SCHOOL, I OUTLINED A ~~MULTI-FACETED~~ COURSE OF ACTION. IN THOSE REMARKS I STRESSED THAT:

-- WE MUST PERSEVERE;

-- WE MUST DEFEND THE CONSTITUTIONAL AUTHORITY OF THE

LEGISLATIVE BRANCH IN THE CONGRESS, IN THE PRESS, AND IN OUR COMMUNICATIONS WITH THE EXECUTIVE;

-- AND THAT WE MUST DEFEND CONGRESSIONAL POWER OF THE PURSE IN THE COURTS ~~OF THIS FREE LAND.~~

( IN THE LAST EIGHT MONTHS THE CONGRESS HAS:

-- ESTABLISHED MINIMUM LEVELS OF ACCOMPLISHMENT WITH

APPROPRIATED FUNDS;

Budget ceilings

-- INCLUDED MANDATORY LANGUAGE IN MORE OF OUR APPROPRIATION BILLS;

-- PASSED LEGISLATION IN BOTH HOUSES ESTABLISHING IMPOUNDMENT PROCEDURES TO AFFIRM OR REJECT ANY FUND WITHHOLDING; AND

-- GONE TO COURT TO FORCE THE PRESIDENT TO USE THE APPROPRIATED FUNDS.

WE MUST CONTINUE TO PUSH HARD ON ALL OF THESE FRONTS TO ASSURE THAT WE ARE SUCCESSFUL IN MAINTAINING BALANCE IN OUR GOVERNMENTAL PROCESSES. NOT ONLY DO MORE CHALLENGES TO THE ILLEGAL USE OF IMPOUNDMENT BY THE NIXON ADMINISTRATION NEED TO BE PRESSED IN THE COURTS, BUT CONGRESS MUST PASS A STRONG ANTI-IMPOUNDMENT BILL OVER THE EXPECTED VETO OF THE PRESIDENT.

Courts

PERHAPS THE MOST PROMISING DEVELOPMENT IN THIS CONFRONTATION HAS BEEN THE POSITION OF THE COURTS. WHILE AT FIRST RELUCTANT TO ENTER THIS FRAY, THE COURTS HAVE COME ON STRONG IN THE LAST SEVERAL MONTHS.

L SINCE JANUARY OF THIS YEAR, DISTRICT COURTS IN SEVEN STATES AND THE DISTRICT OF COLUMBIA, AND THE COURT OF APPEALS, HAVE MADE TWENTY-ONE DECISIONS IN IMPOUNDMENT CASES, THAT I AM AWARE OF.

L IN ALL BUT ONE OF THESE CASES, FEDERAL JUDGES HAVE RULED THAT THE NIXON ADMINISTRATION'S IMPOUNDMENT OF CONGRESSIONALLY APPROPRIATED FUNDS IS ILLEGAL.

THIS IS CERTAINLY OF GREAT IMPORTANCE AND IS VERY ENCOURAGING TO ALL OF US MAKING THE EFFORT TO PRESERVE THE "SEPARATION OF POWERS" ESTABLISHED IN THE CONSTITUTION,

AN EXAMPLE OF ONE SUCCESSFUL COURT ACTION AGAINST IMPOUNDMENT INDICATES THE IMPACT SUCH DECISIONS CAN HAVE.

THIS CASE, IN WHICH I PARTICIPATED AS A "FRIEND OF THE COURT," WAS BROUGHT AGAINST SECRETARY OF AGRICULTURE EARL BUTZ BY A GROUP OF CONCERNED CITIZENS. IT INVOLVED THE IMPOUNDMENT OF FUNDS CONGRESS APPROPRIATED FOR THE SPECIAL SUPPLEMENTAL FOOD PROGRAM.

THE PROGRAM WAS INTENDED TO PROVIDE HIGH NUTRIENT FOODS TO PREGNANT AND LACTATING WOMEN AND INFANTS WHO ARE LIVING AT NUTRITIONAL RISK BECAUSE OF INADEQUATE INCOME AND NUTRITION.

IT WAS CREATED IN RECOGNITION OF THE FACT THAT HUNDREDS OF THOUSANDS OF IMPOVERISHED INFANTS ARE SUSCEPTIBLE TO PERMANENT AND IRREPARABLE DAMAGE DUE TO MALNUTRITION.

THIS LEGISLATIVE ACTION WAS FURTHER BASED ON THE KNOWLEDGE THAT THIS DISEASE WAS EASY TO PREVENT BY SIMPLY PROVIDING HIGH NUTRIENT FOODS.

THE DETAILS OF THIS "PILOT PROGRAM," SPELLED OUT IN THIS LEGISLATION, WERE QUITE CLEAR AND \$20 MILLION WAS TO BE SPENT ON THE PROJECT DURING EACH OF ITS TWO YEARS OF LIFE.

THE USDA, HOWEVER, CONTINUALLY DELAYED GETTING THIS PROGRAM UNDERWAY. AS RECENTLY AS JUNE 7 OF THIS YEAR, AN ASSISTANT SECRETARY OF AGRICULTURE TESTIFIED THAT USDA PLANNED TO SPEND ONLY \$5 TO \$8 MILLION FOR THIS PROGRAM THIS FISCAL YEAR. THEY INTENDED TO DRASTICALLY SLASH THIS PROGRAM FROM THE LEVEL SPECIFIED BY CONGRESS.

WELL, WE TOOK THE ADMINISTRATION TO COURT AND WE WON OUR CASE. ON AUGUST 3, JUDGE OLIVER GASCH ORDERED USDA TO SPEND THE FULL \$40 MILLION IN IMPOUNDED MONEY FOR THIS PROGRAM.

AS A RESULT OF THIS DECISION, 400,000 INFANTS FROM  
IMPOVERISHED FAMILIES WILL NOW ESCAPE THE PERSONAL TRAGEDY,  
AND OUR NATION THE SOCIAL AND ECONOMIC LOSS, THAT SO OFTEN  
RESULTS FROM MALNUTRITION, PARTICULARLY DURING THE FIRST YEAR  
OF LIFE.

CAN THERE BE ANY DOUBT THAT THE PRESERVATION OF THE  
RIGHTS OF THE LEGISLATIVE BRANCH OF GOVERNMENT ARE WORTH THE  
STRUGGLE AND THE EFFORT THAT WILL BE REQUIRED?

I THINK NOT. WE SIMPLY MUST PERSEVERE.

*now* IF THE PRESIDENT SUCCEEDS IN STRIPPING FROM CONGRESS THE

"POWER OF THE PURSE," PURPOSELY PLACED BY THE CONSTITUTION

IN THE "PEOPLE'S BRANCH" OF GOVERNMENT, THE PRECEDENT ~~WILL~~ *could* BE

~~WILL~~ FOLLOWED BY EXECUTIVES IN EVERY STATE IN THE UNION.

~~MY FELLOW LEGISLATORS,~~ IF THIS HAPPENS WE MIGHT ALL JUST

AS WELL GO HOME.

~~YES, IF WE ALL GO HOME, WE WILL AT LEAST SAVE THE TAXPAYERS~~

~~SOME MONEY.~~

FOR WITHOUT POWER OVER GOVERNMENTAL SPENDING, THE

LEGISLATIVE BRANCH IS IMPOTENT.

~~WE CANNOT, WE MUST NOT, ALLOW THIS TO HAPPEN, I AM  
CONFIDENT THAT THE LEGISLATIVE BODIES, WHICH HAVE THE  
RESPONSIBILITY FOR MAINTAINING THE DELICATE BALANCE IN  
OUR SYSTEM OF GOVERNMENT AND ASSURING OWING THE STRENGTH OF REPRESENTATIVE GOVERNMENT, WILL PREVAIL.~~

~~WHEN THIS IS ASSURED, WE CAN ONCE AGAIN REALISTICALLY TALK ABOUT PARTNERSHIPS OF GOVERNMENT. AND, AS WE DISCUSSED TOGETHER IN PUERTO RICO, THERE ARE SOME PROGRAMS FOR PARTNERSHIP THAT WE SHOULD CONTINUE TO EMPHASIZE.~~

~~THESE ARE ACTION PROGRAMS WHICH REQUIRE NEW GOVERNMENTAL RELATIONSHIPS THAT REFLECT THE NATURE OF GOVERNMENTAL RESPONSIBILITY.~~

~~(X)~~ MANY STUDIES OF GOVERNMENT HAVE CONCLUDED THAT STATE

GOVERNMENTS ARE AN ANACRONISM. OTHER STUDIES JUDGE THE U.S.

CONGRESS TO BE HOPELESSLY OUT OF DATE. THEY SAY GOVERNMENT WILL

NEVER BE ABLE TO RESPOND TO THE NEEDS OF THE 20TH CENTURY.

I REFUSE TO ACCEPT THIS.

*— Reform needed  
Budget, Planning - monitoring*

OUR FEDERAL SYSTEM IS UNIQUELY SUCCESSFUL IN THE WORLD.

BUT I MUST SAY WE NEED OUR CREATIVE TALENTS AS NEVER BEFORE

TO UTILIZE OUR FEDERAL SYSTEM. LET ME DESCRIBE SOME PROPOSALS

I HAVE BEEN WORKING ON. I NEED YOUR SUPPORT.

(Budgetary Process)

also  
~~THE FIRST~~ THE FEDERAL-STATE LEGISLATIVE COUNCIL

WHICH I HAVE INTRODUCED AS S.1099 IN THE UNITED STATES SENATE.

THIS BILL CREATES A PERMANENT, 24-MEMBER, BIPARTISAN COUNCIL.

THE COUNCIL WILL EXPLORE AND RESEARCH PROBLEMS COMMON TO

THE LEGISLATIVE PROCESS.

IT WILL STUDY LEGISLATIVE MANAGEMENT, COMMUNICATION

BETWEEN CONGRESS AND THE RESPECTIVE STATE LEGISLATURES,

SUBSTANTIVE PROGRAM EVALUATION AND ISSUES OF FEDERALISM.

WE NEED TO SCRUTINIZE THE RELATIONSHIP BETWEEN LEGISLATIVE AND ADMINISTRATIVE BODIES, COORDINATION OF PROGRAM ADMINISTRATION, FEDERAL PREEMPTION, INTERGOVERNMENTAL TAXATION AND BUDGETS.

THE COUNCIL WAS NEVER MORE NEEDED THAN TODAY. LEGISLATIVE INSTITUTIONS ARE BEING TESTED AND CHALLENGED. ~~OUR SURVIVAL, AS RELEVANT SOCIAL INSTITUTIONS, DEPENDS ON OUR ABILITY TO MAKE SOUND DECISIONS QUICKLY.~~

STATE AND FEDERAL LEGISLATORS MUST RECOGNIZE THAT THEY SHARE THE SAME FUTURE.

WE, IN CONGRESS, MUST WORK WITH STATE LEGISLATORS. MOST RECENT FEDERAL PROGRAMS REQUIRE ACTIVE STATE COOPERATION.

*Philosophy Process*

PROGRESS ON AIR AND WATER POLLUTION, BETTER EDUCATION, CITIES' PROGRAMS OR THE PROBLEMS OF RURAL AMERICA -- ALL DEPEND ON WHAT STATE LEGISLATURES ARE WILLING TO DO,

*L* WE ARE FELLOW POLICY-MAKERS. *L* WE ARE THE ONLY DIRECT REPRESENTATIVES OF THE PEOPLE. *L* WE MUST BE IN TOUCH WITH EACH OTHER. NATIONAL LEGISLATION MUST BE RATHER BROAD IN PRINCIPAL, BUT IT ALSO MUST BE ADAPTED TO FIT THE STATE AND THE COMMUNITY, *and here* THAT IS WHERE YOU COME IN WITH YOUR ADVICE AND WITH YOUR COUNSEL.

*L* THE SECOND OF MY PROPOSALS IS THE NATIONAL DOMESTIC DEVELOPMENT BANK. I HAVE INTRODUCED THIS AS S.1770 IN THE UNITED STATES SENATE.

OUR COUNTRY IS PRIVATELY RICH BUT PUBLICLY POOR. IT IS  
POOR BECAUSE CAPITAL IS NOT READILY AVAILABLE. WE HAVE NO  
PROGRAM TO PUT CAPITAL TO WORK IN THE PUBLIC SECTOR.

THE BANK WILL BE A NEW SOURCE OF CAPITAL FOR PUBLIC  
DEVELOPMENT, PARTICULARLY BY STATE AND LOCAL GOVERNMENT. IT  
WILL CUSHION THE HARDSHIPS OF A FLUCTUATING CREDIT MARKET. ITS  
PURPOSE IS TO ASSURE THAT PROGRAMS OF BROAD SOCIAL BENEFIT  
GET APPROPRIATE ECONOMIC SUPPORT.

ALL OVER THE COUNTRY WE NEED NEW HOUSING, NEW SCHOOLS,  
NEW COURTS AND CORRECTIONAL FACILITIES AND BETTER MEANS OF  
TRANSPORTATION.

~~STATE AND LOCAL GOVERNMENTS NOW MUST UNDERTAKE BETTER SOCIAL PLANNING AND PROTECT THE ENVIRONMENT ON THEIR OWN, THEY GET NO ENCOURAGEMENT FROM THE NATIONAL ADMINISTRATION.~~

↳ THE NATIONAL DOMESTIC DEVELOPMENT BANK WILL OFFER LONG-TERM LOANS AT LOW RATES OF INTEREST. THE BANK'S REGIONAL OFFICES WILL OFFER PLANNING AND TECHNICAL ASSISTANCE. STATE AND LOCAL GOVERNMENT PEOPLE WILL HELP OPERATE THESE REGIONAL OFFICES.

Rural Development. 1972  
#

↳ ANOTHER PROBLEM WHICH NEEDS OUR TIRELESS COOPERATION FOR SOLUTION IS THE RENEWAL PROCESS IN OUR CITIES / THE HOUSING ACT OF 1949 CREATED THE URBAN RENEWAL PROGRAM. DURING THE 24 YEARS SINCE THE PASSAGE OF THAT ACT, WE HAVE LEARNED A GOOD DEAL.

IT IS CLEAR THAT THE PROGRAM HAS NOT ACCOMPLISHED ALL THAT WE HOPED FOR IT. ON THE OTHER HAND, IT HAS DONE SIMPLY

WONDERFUL THINGS IN MANY CITIES. IN ~~MY OWN CITY~~ <sup>the Twin Cities</sup> OF MINNEAPOLIS <sup>+ St Paul</sup>

~~OUR DOWNTOWN~~ <sup>the</sup> RENEWAL PROGRAM HAS HAD IMPRESSIVE RESULTS.

WE, AS A NATION, STILL STRUGGLE WITH THE PROBLEMS OF HOW TO ELIMINATE SLUMS -- BUILD NEW HOUSING FOR POOR PEOPLE WITHOUT CREATING SLUMS IN THE FUTURE. IT IS A CONSTANT PROBLEM, ONE THAT WILL NOT GO AWAY IF WE IGNORE IT.

I FAVOR A NEW PROGRAM WHICH GIVES MUCH MORE FLEXIBILITY AND AUTHORITY TO THE LOCAL PEOPLE. BUT I DO NOT FAVOR MERELY ANOTHER <sup>special</sup> REVENUE SHARING GRANT. WE CAN GIVE MORE MONEY BY MERELY EXPANDING THE <sup>general</sup> REVENUE SHARING PROGRAM WE ALREADY HAVE.

INSTEAD OF URBAN RENEWAL AGENCIES AS WE KNOW THEM, WE  
NEED SOMETHING BETTER: A WORKING PARTNERSHIP OF ALL LEVELS  
OF GOVERNMENT AND PRIVATE INVESTMENT AND ENTREPRENEURS. I WOULD  
CREATE A <sup>System of</sup> ~~NEW~~ URBAN AREA DEVELOPMENT CORPORATIONS -- ~~A NEW~~  
~~STEP IN AN EVOLUTIONARY PROCESS~~ <sup>Private</sup> URBAN RENEWAL AGENCIES WOULD  
BECOME QUASI-PUBLIC CORPORATIONS. THE PRIVATE SECTOR WOULD BE  
INVOLVED ACROSS WHOLE URBAN AREAS.

THE OPERATIVE POWER FOR THESE CORPORATIONS MUST COME FROM  
STATE LAW. THE CORPORATIONS WILL HAVE THE SUPPORT OF THE  
FEDERAL GOVERNMENT -- THE INTEREST SUBSIDIES, GUARANTEES, TAX  
INCENTIVES, AND TECHNICAL ASSISTANCE.

*But this will happen only*  
~~BUT ALL WILL BE UNAVAILABLE~~ IF THE STATE LEGISLATURES ~~WILL NOT~~

GIVE THE CORPORATIONS THE POWERS WHICH ARE NECESSARY FOR  
REHABILITATION AND DEVELOPMENT -- I.E., THE POWER TO ISSUE  
BONDS, PREPARE AND EXECUTE DEVELOPMENT PLANS, EXERCISE POWERS  
OF EMINENT DOMAIN AND BUY AND SELL PROPERTY,

*and there are*  
~~SOME~~ OTHER THINGS ARE NECESSARY TO END OUR NEGLECTED

FEDERALISM; TO ESTABLISH A WORKING FEDERALISM . . .

(X) - A PRESIDENTIAL REPRESENTATIVE FOR EVERY FEDERAL

REGION IN ORDER TO COORDINATE AND EXPEDITE OUR FEDERAL PROGRAMS.

HE MUST HAVE POWER TO OVERCOME PETTY JURISDICTIONAL DISPUTES  
BETWEEN AGENCIES.

-- REGULAR MEETINGS BETWEEN THE PRESIDENT AND THE  
GOVERNORS. THERE MUST BE OPEN AND FRANK OPPORTUNITY TO DISCUSS  
THE PROBLEMS OF POLICY AND ADMINISTRATION. PRESIDENTIAL  
LUNCHEONS AND DINNERS ARE NO SUBSTITUTE FOR PLANNED ORGANIZED  
WORK SESSIONS WHICH MODERN GOVERNMENTAL COORDINATION REQUIRES.

-- LOCAL GOVERNMENTAL LEADERS SHOULD MEET REGULARLY WITH  
THE VICE PRESIDENT, THE SPEAKER OF THE HOUSE AND THE MAJORITY  
AND MINORITY LEADERSHIP OF THE HOUSE AND SENATE.

-- AN OFFICE OF BALANCED NATIONAL GROWTH AND DEVELOPMENT  
WHICH WILL EMBRACE ALL LEVELS OF GOVERNMENT AS WELL AS PRIVATE  
ENTERPRISES SHOULD BE CREATED.

CONGRESS MUST EQUIP ITSELF, TOO, TO WORK TOWARD  
NATIONAL GOALS THAT IT HAS WRITTEN INTO LAW.

FINALLY, STATES AND LOCALITIES MUST WORK FAR MORE  
DILIGENTLY AT PUTTING THEIR OWN HOUSES IN ORDER. THIS INVOLVES

A SEARCHING RE-EXAMINATION OF TAXING POLICIES, LAND USE AND

OWNERSHIP POLICIES AND THE ORGANIZATION OF AGENCIES AND

DEPARTMENTS,

*constitutional reform and modernization*

~~IT ALSO INCLUDES CONSTITUTIONAL REFORM AND MODERNIZATION~~

~~ALONG WITH THE MUCH MORE EXTENSIVE STATE AID TO LOCALITIES~~

~~AND PARTICULARLY METROPOLITAN AREAS.~~

~~WE MUST ENCOURAGE THE CREATION AND STRENGTHENING OF METROPOLITAN-WIDE AUTHORITIES -- SUCH AS COUNCILS OF CIVIL PEACE TO COORDINATE ALL LAW ENFORCEMENT ACTIVITIES.~~

WE MUST ENCOURAGE THE FURTHER DEVELOPMENT OF COUNCILS OF GOVERNMENTS. THESE COUNCILS ARE A WAY TO PRESERVE LOCAL AUTONOMY WHERE THAT IS APPROPRIATE, AND TO MAXIMIZE THE USE OF COMMON FACILITIES AND SERVICES.

EACH STATE GOVERNMENT SHOULD CREATE A NEW DEPARTMENT FOR COMMUNITY DEVELOPMENT -- THE FUNCTIONAL EQUIVALENT AT THE STATE LEVEL OF THE FEDERAL GOVERNMENT'S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.



"ETERNAL VIGILANCE IS THE PRICE OF LIBERTY,"

IT IS THE LEGISLATIVE BRANCH THAT THIS WARNING IS  
MOST DIRECTED -- AS THE PEOPLES' VOICE.

MAY WE RENEW THAT VIGILANCE IN THIS MOMENT OF TRUTH  
FOR REPRESENTATIVE GOVERNMENT.

# # # # #

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NATIONAL LEGISLATIVE CONFERENCE

CHICAGO - AUGUST 9, 1973

(Verbatim from tape recording)

INTRODUCTION BY NEIL HARTIGAN, LT. GOVERNOR OF THE STATE OF ILLINOIS:

It was largely through the inspiration I received from observing Senator Humphrey's career -- his total dedication to human justice, his belief in a strong and big America, his insistence on responsibility, individual responsibility for some people like me, and his willingness to accept the burden of leadership, political and governmental, and I come to thank you ... and for some people who follow his future.

Mr. Humphrey's standards are very simple and very basic ones in each of his activities... he has attempted to deal with each individual man and woman in the way that enhances ... their basic sense of dignity, to the person that he is speaking with and on behalf of.

We were fortunate in difficult times for the President to have in the role of leadership in our country, our government and our political process, a totally decent man who sets the human values as unequal, than as any other leader in the fore today. This role, as was the role of John Quincy Adams, is set in the Executive Branch, was a most important one. But his future role in the Legislative Branch as a true advocate of democracy ... the people as a whole have responded. And in my judgement, even more importantly, Hubert Humphrey stands for the very best in a public man and his decency is a quality that I think symbolizes what he stands for more than anything else.

Ladies and Gentlemen, it is my privilege to present the distinguished Senator from Minnesota, Hubert H. Humphrey.

SPEECH BY SENATOR HUMPHREY

I thought the program committee was doing me a favor when they indicated by letter that I would be introduced by the able and distinguished Lt. Governor of this great state. But now I find that he has put me in a very difficult situation. After an introduction like that, there is only one way you can go and that is DOWNHILL. You can't be that good! But I want you to know that I think the best part of the program has taken place. I loved the introduction! It just was simply great.

I am hopeful that all of these many Minnesotans that have journeyed to Chicago will hurry back with the word of Neil Hartigan and make it a supplement to Time magazine. By the way, we have a number of publications of Time outside the door. The Governor sent down one of the National Guard planes, cargo planes loaded with them. We thought maybe you might like to have them so you could find out really where heaven is.

I remember once when the distinguished Senator, Alex Wiley from Wisconsin, was giving a speech in the Senate. He was holding forth on the virtues and the wonders of Wisconsin,, and just as I came through the door of the Senate listening to this speech (I hadn't planned on listening to the speech but I was coming through the door of the Senate, if you know what I mean) and here was my old friend Alexander Wiley just proclaiming the wonders of Wisconsin, and as I arrived in the door he had this word and he said "And it is the Gateway to Paradise" and I said "Will the Senator yield?" and he said "Yes, I will". I said "The Senator is right -- Paradise is the next state west -- Minnesota!" That's how Time magazine got on to this whole thing.

We are bragging a little bit today. We will continue it tomorrow! I was in conversation with Speaker Martin Sabo. He said "Don't forget to

say nice things about me." I said "What more can we say". I am reading from page 24 now of Time. And Irv Anderson said "And don't forget me". I want you to know I wouldn't forget either one of them because they represent the House, the Senate and the Legislature in the State of Minnesota in a way that makes all of us very proud. And I have been looking over this audience for my old friend Nick Coleman but he has heard me speak so many times that he thought maybe I was going to give speech #22 and really it is speech #13! I fooled him today so he should have been there.

I am delighted that Congressman Ford is here. I always like to have a Republican physically present to hear what I say. And Gerry said he likes to have me around too so that he can check on me a little bit. I admire this Congressman and that is a truthful statement. We are not on any list called "enemies". We are opponents on occasions, competitors, but I think we should make that differential right now. In politics, as you and I know, it is true that as competitors or adversaries, we seek to defeat one another in these elections; as enemies you seek to destroy. There is a lot of difference. I only wish the very best for the distinguished Minority Leader of the House of Representatives. I hope that he stays Minority Leader of the House of Representatives. What more could I wish without getting in trouble?

And let me say also that I noticed at these gatherings that I seldom, if ever, am presented at any time by any president. I have always wanted to be presented by a president; they always pick a junior -- a vice president, lieutenant governors. I thought maybe old Bill Ratchford would come through this time and at least get up and just say amen to what Neil had to say. But he's going to let me stand on my own.

Now I am going to talk to you today about matters that you know more about than I do, but why not? That is what these speeches generally end up being. I speak to you as a fellow practitioner in the field of legislation. I lay no claim to being an expert. I am a pragmatist. I hope that I am practical; I understand, as I am sure you do, the difficulties that we face in legislative chambers. I have spoken, as you have many times, to many of our young people, and try to indicate to them that the art of compromise in legislation does not mean the abandonment of principle. It means the evolution of progress and I would hope that we, as individuals in our respective roles, whatever that role may be, or parties, would understand that we have some common goals and common purposes.

Three years ago I was at San Juan with some of you. Two years ago up in Minneapolis and what I said at these places can be said once again. That government is facing the moment of truth and, in fact, government today more than any other time is facing its moment of truth. Without in any way attempting to be partisan, let me say that what is happening in our country today casts a shadow over the entire political process. No man or woman in public life today is immune from the feeling of disenchantment, discouragement, anger, distrust that seems to be growing in this nation of ours because of developments that are shameful and scandalous. I might add that many of these developments did not come from people who sought elective office but many of the developments came from people who were self-appointed experts -- public relations experts--people who do not understand the code of conduct which is required if we are going to maintain a sensible approach to our common problems.

But we continue to face the same old questions: Can our government meet the new demands and, Lord only knows, that the demands are many.

Most of us in this room have been in political life, or at least a number of us, during a time of fantastic changes and transition. The capacity of the mind, the body, the psychic make-up, as well as the social and political institutions, to accommodate itself to these changes is limitless. I suppose it is fair to say there is a lag; things move faster than we can change the social and political institutions that are designed to deal with these problems.

So we have to ask ourselves "Can our political institutions respond to unresolved and continuing problems of the mobile, vast, industrialized, urbanized America?" And this is going to continue. We are not going to turn back the clock. The hard facts of life we all know. Nobody needs to list them for you. We know that we are plagued with problems that only a few years ago we could almost ignore like air and water pollution, traffic congestion.

Who would have ever dreamed of an energy shortage or a food shortage in America? Problems of social services and law enforcement and welfare and health care education. Every one of these is on the front burner and will continue to be there. And the cost of paying for all of this is heightened by a cruel and continuing inflation and, might I add, that I am one of those that believes that there will be, over an extended period of time, a degree of inflation and that we ought to quit kidding ourselves that somehow or another it is a temporary night mare.

I join with the distinguished Chairman of the Federal Reserve Board, Arthur Burns, who surely is no radical, when he says the time that you can just depend upon the forces of the market place to maintain stability and progress in our economy is long past. That we must come to what we call some form of incomes policy which may require some interference or at least some partnership on the part of government. We know many of these

things and yet we are unwilling to face up to them. Unemployment still plagues us in part, thank God it is less than when we talked last; but here we have an economy that is moving with tremendous power. Steel production is almost at an all time high; automobile production; we have 42 million more acres of grain planted or of acres this year planted to feed grains.

We are doing immense things and there is yet between 4 and 5% of unemployment and teenage unemployment in our great cities becomes not only an economic problem but a major social catastrophe. And we are not dealing with it. And you and I know we are not dealing with it. And we are not going to deal with the drug problem or the law enforcement and we're not going to deal with the problems of delinquency and crime when 20% or 25% of white teenage youth is unemployed and 35% or 50% in the ghetto in intercities, of our Black and Brown youth is unemployed. Now those are facts that we have to deal with. And I doubt that the old approaches are enough and surely turning back and pretending it is all over is not enough; you do not solve the urban crises by proclaiming that it is over.

Not long ago I heard from the highest office of this land, a proclamation "the urban crises is over". Well, those of us that have been either a local official in a city or are concerned about urban and metropolitan areas or live there know that this is not true. You cannot have government by proclamation nor by self-deception. Now having said this, we can't admit the failure, any more than we can say today as one man said on television, advising young people not to go into politics, it is so rotten. My advice to people is that if you think it is rotten, get in and clean it up.

If you think the people who are in office are unworthy of being there,

challenge them and take them out of office. That is the competitive process. Nothing happens by backing away from it or closing your eyes to it. Nor are any of us perfect. I jokingly said, and yet it is quite true, that there are no saints that I have met in any legislative assembly, as far as I am concerned in any executive office. There was a Saint Hubert but that was in the year 1100. Since then other Huberts have not been so saintly, including this one.

Well, what do the people say about us and we are out there talking to them. We all know that they think government is too big, even though you and I know that it is going to continue to be big. Our question is can we make bigness humane? Can we make bigness effective, efficient? Can we make bigness able to mete out justice? And while I am on it, let me just say that many of us are all hung up with the idea of efficiency, and it is important. Efficiency in anything is a part of the process, at least it should be. But the purpose of government is not business-like efficiency. Efficiency should be a tool to achieve the purpose of government.

The purpose of government is to secure the blessings of liberty for ourselves and our posterity. The purpose of government is to establish justice, to ensure domestic tranquility, to provide for the common defense and to promote the general welfare. That is what is in the Constitution. The Constitution of the United States is a document, by the way, that people are beginning to take a real interest in. I was amazed in my office in Minneapolis yesterday, to find out the schools that are writing to us asking for copies of the Constitution.

And what the Constitution says is as important as what it doesn't say or visa versa. There is nothing in the Constitution that sets up a way to protect the government from the people. But there is a lot in the

Constitution that is there to protect the people from the abuse of government. There is nothing in the Constitution that talks about law and order. There is something in the Constitution that talks about law and justice. There is nothing in the Constitution that talks about surveillance or secrecy or executive privilege, but there is and there are words in the Constitution that say "we, the people" not "we, the president, not we, the senator, or we, the governor or legislature" but "we, the people".

And I think it is time that those of us who are in government understand what our document is and what it means. And also the first Article of that Constitution -- Article 1 -- is the powers of the Congress, the legislative branch. And I think it was labelled number one because the Constitution was borne out of the cruel experience of despotism -- of the power of a king abused, the power of colonial governors abused. And therefore those who wrote that Constitution placed emphasis on the duly elected representatives of the people. And whenever there is a government or an executive branch that has little respect for or disdain for the legislative branch, the legislative branch, being the elected representatives of the people, that disdain and contempt flows to people themselves from whence these legislators have been selected.

There is a doctrine of popular sovereignty in this country. And it needs to be remembered. But many people of today are confused as to where they go to find remedies, to whom do they take their complaint? Despite all of the communication media that we have, to whom do we go when there's something wrong? And by the way, most of the problems of government are right where we live on our street. They are not all the problems with China or Russia or the Middle East. They're the problems right here every day. 90% of the government that affects people's lives is in the

block where they live. How the streets are patrolled; the schools that their children attend; the markets that are opened; the ordinances that apply; the state laws -- the things that happen right there. Well, who do they go to? -- the legislator, the mayor, the governor, the city councilman, the county supervisor, the Congressman or the Senator. Obviously they have problems and they are trying to go to somebody because the mail flows. And that citizen often doesn't know, and if he does know, too often the governmental authorities often fail to respond.

I have often wondered, Gerry, why it is members of Congress get such a volume of mail on what we call "case" mail. Now what is case mail? It is somebody out at home 70 years of age who didn't get their Social Security or a Veteran that was denied the right to enter a Veteran's Hospital.

Why should a member of the legislature or the Congress be bothered with that? That should be an ordinary, routine obligation of those who are called upon to execute and administer the law. And as long as I have always been for Civil Service, sometimes I begin to wonder if people think that they don't have to do their job. And they call upon Congressmen and legislators so that we become sort of brokers, the agent, to see that little things that ought to be routine are taken care of.

Now, as far as the average citizen is concerned, he doesn't have a doctor's degree, a Ph.D. in political science; for which he's maybe fortunate!

The average citizen isn't acquainted with all the political theories. So when we say "Federalism" to him, you know, and all this sort of business, he doesn't really quite, as the kids would say, "dig it". All he knows is that taxes are high; not much happens when he has a complaint.

To him, government is politics and politics is government and all the explanations of national, state and local agencies add up to one thing-- more politics and more politicians and more government. Just government, that's all.

I get letters every day of the week from somebody who is complaining about their property taxes. I try to explain to them that we, as members of Congress, do not set property tax rates. That goes over like a lead balloon. They say, "There you are, ducking the question again, Humphrey". What happens, I try to send it back to Martin Sabo or Irv Anderson and I don't know what kind of letters they are using to re-refer but they're very effective.

So I guess what we are really getting down to now that we've covered this territory is asking ourselves here who are supposed to be somewhat knowledgeable in this thing, how do we make this system work? Well, we can't make it work through confrontation. That makes for headlines. You know, one side attacking the other. We can't make it work by isolation. We can't pretend somehow or another that there are neat compartments and over here is the Federal government; in here is the state government; and over here is the local government. Now that's not even for children. They wouldn't even let you put that in nursery rhymes anymore, because it is unreal.

There is a structure of government that has yes, titles to it, but it meshes into what we call the government of the people. And each area of that governmental specter plays a role. And, of course, we know therefore that Federalism means, above all, cooperation. It functions best as a partnership between governments. No problems are purely Federal or state or local.

Welfare, which we once thought of, you know, as -- you know that was from the Elizabethian years up to recent days -- was looked upon as being a local one. Well, you and I know that is not the case anymore. Because the Federal government is moving firmly into, and you like it I know, because it relieves you of some of your burdens. And of the whole question of welfare and payments to people. Local streets today are connected with great national interstate highway systems. Local streets no longer are simply a local problem. We thought of it for a long time.

You know I remember when I was Mayor of Minneapolis, we used to have those big highways coming right into Minneapolis and then we had a two lane bridge. We knew how to stop them! And when we had trouble, you know, with the state highway department or the Federal highway department said "that's local". They just thought we were "local!"

And we know that garbage collection was -- what could we think of as more local than garbage collection? And yet it has become a national problem because no place can be found to dispose of the vast accumulations of solid waste. And education, needless to say, it's a cooperative relationship.

So you see when you go on and on what we are really just pointing out is that none of us has exclusive jurisdiction. That if we do have, it won't work. What we have to have is both a sense of accommodation to each other, as well as a respect for our respective roles. I mentioned Federalism. And the President has spoken of, you know, New Federalism. Every President gives one or two messages on Federalism. Johnson had one. I remember I recited it almost from memory! You maybe heard it a couple of times. President Kennedy had one and now President Nixon has one. He calls his the New Federalism. Well, so did President Johnson. Of course for each Administration it is new. And it boils

down pretty much to the same thing. It merely says we all ought to work together. And it really says that what we have to do is understand the problems of the people and we have to meet them together.

But I am going to say respectfully that the so-called New Federalism has become what I call "Neglected Federalism". And I want to document my case. I supported revenue sharing. Not only supported it with Howard Baker, I was the co-author of it in the U.S. Senate. And I know my good and distinguished friend, the Minority Leader of the House, fought for it and saw and helped get it passed. And revenue sharing, indeed, has been a boon to state and local government. And I want to make sure that it continues.

But I want to lay it on the line. I know what we legislated. And I know what the President said when he signed it. He said this is new money, this is over and above all other Federal grants. And that is what was said and that is what the legislation was. And now we come around when they tinker with the budget and they say, "well, are you short over there? You've got some general revenue sharing a little short over here? We have got some general revenue sharing." And every state with few exceptions found their budgetary process in this session of the legislature in trouble because #1 -- revenue sharing was stretched and stretched and stretched to cover everything and the impoundment procedure exercised by the Executive Branch of government started to distort the whole budget picture. Now you can't have any New Federalism by impounding duly appropriated funds of the Congress passed by the Congress of the United States. That will not work.

The simple power of a legislative body is of the purse. I am not going to say that we are going to be always wise with it. Presidents

aren't very wise either. Nor are all governors. We are fallible. But the elected representatives of the people are empowered under Constitutions, state and Federal, over the power of the purse. And we are entitled to make mistakes as well as to have strokes of genius. If we make mistakes, we pay for it at the ballot box. And I don't intend to have the President of the United States take that little sentence out of the Constitution which says that he "will faithfully execute the laws of the land", and interpret the word "execute" to mean "kill". I don't intend that one bit. There's a lot of difference. We are getting at the very structure, at the very heart of American government -- the Federal system.

James Madison, in the Federalist Papers, put it this way: This power of the purse may, in fact, be regarded as the most complete and effectual weapon with which any constitution can arm the immediate representatives of the people, for obtaining a redress of every grievance, and for carrying into effect every just and salutary measure". That is the man who interpreted the Constitution and helped write it.

So the central issue is will our nation be governed by one man rule or will it be governed by the Constitutionally-established process of representative government by laws and not by men? And it is an irony, it's really tragic irony, that this Constitutional crisis, or at least confrontation, has been precipitated by the over-reaching of a President who is a self-proclaimed strict constructionist and the exponent of new Federalism.

Now, my views on impoundment are pretty well known -- at least in political circles! I happen to believe that it's illegal. It can and does alter, change, and terminate programs. It performs the function

of an item veto expressly prohibited by our Constitution. Oh, I know that during the history of our nation other presidents have withheld funds from programs approved by the Congress. That doesn't make it right -- not one bit. And might I say that many times those funds are withheld on statutory authority, such as the Anti-Deficiency Act of 1902, as amended in 1950.

There were different kinds of impoundment and the one that I am speaking of is not one that temporarily slows down an expenditure but ultimately releases the funds but impoundment that I call "policy impoundment" which has been invented by this Administration. Under policy impoundment funds are withheld not merely to effect savings, not merely to prorate the rate of expenditure over a long period of time, not as directed by Congress, nor as Commander-in-Chief, but because the President or the Office of Management and Budget, that heartless, that impersonal regime, has decided to impound money for programs that do not reflect Administration priorities. These are impoundments used to change the law, repeal a law, or legislative intent.

Now, for example, up in the Midwest and here, we had a program for world environmental assistance. I don't know whether it's good or bad. Congress -- I voted for it -- the President signed it. I thought it was good. It's the law of the land. It was passed overwhelmingly by the Congress. And all at once we get a message from the Office of Management and Budget at the direction of the President that all funds are withheld. I say to you that that's a violation of the law. And no man is above the law in this country. It's a method for substituting "executive will" for legislative purpose.

Housing programs are delayed. Rural housing is cancelled. Rural

electrification rates are changed. Now I don't argue that the Congress maybe was wrong in maintaining a 2% rate on rural electrification loans, but you know what we do. We give a better rate to people overseas. We extend them a ten year grace period -- they don't have to pay one damn dime! And I didn't see the President impound those funds. But when it came to farmers, they said "that's wrong" and they impounded all the funds.

Now if the law's wrong, there's a way to change it. Come to the legislature. Let me warn this legislative assembly, Presidents can get by with it, governors will try it and don't you think they won't. It's a precedent that you cannot afford; to sit idly by and ignore whether your Republican, Democrat or Independent.

Until last fall when we passed the Impoundment Information Act, we didn't even know how much was impounded. It was neither explained, reported or justified. I amended a law to at least get the information. I say it violates the separation of powers and I find myself in agreement with the Associate Justice of the Supreme Court, the former Assistant Attorney General, Mr. Rehnquist, who said in a memorandum while he was Assistant Attorney General, a memorandum to the President with respect to the suggestion that the President has a Constitutional power to decline to spend appropriated funds, "We must conclude the existence of such broad power is supported by neither reason nor precedent."

Now some of us took this issue to the people; we passed new law in the Congress. We are trying to design legislation that will set up specific ways and means that impoundment could be legal and where it would be illegal. But we also went to the courts. And I am happy to report that since January of this year, the judiciary, District Courts in seven states

and the District of Columbia and the Court of Appeals, out of 21 decisions in impoundment cases, ruled 20 times against the President. They said the impoundment was illegal, an illegal exercise of power, unconstitutional.

Now, if the President succeeds in stripping the Congress of the power of the purse, I repeat, look out legislators. We are all legislators. It won't be long before that power, which is the power that belongs to the elected representatives of the people, will soon be appropriated by executives at every level.

It has been said that state governments are an anachronism. That, you know, they are out of date. And you have heard all these blistering attacks upon legislative bodies. We surely had them upon the Congress. And there is a need for reform. I don't think we ought to get defensive. We ought to seize the problem and make it a challenge. And do what needs to be done. Appropriate the funds that are necessary for proper staffing. You're not going to be criticized for that; if you use those funds properly. To have the information that is necessary -- the data banks, the information retrieval systems which the Congress of the United States still does not have.

Surely with the appropriations that we have at state and Federal levels today, we ought to gear ourselves up to do a good job. Research, information, communications -- the openness which the people deserve in legislative assembly. And surely we need more budget reform and control at the Congressional level. I think that the President made a very valid comment when he criticized the Congress for not having a modernized system in dealing with budgets. And we as yet, Gerry, have not come to grips with that one.

We can't just go around saying "look at Watergate". We have a job to do in the Congress and we haven't done it all by a long shot. We have

a job of structural reorganization. We have a job, if you please, of budget preparation and monitoring of programs, and might I add to legislators, and this goes for members of Congress, when we legislate and set up these huge authorizations at state or Federal levels, and they are big either way you know now, and we appropriate the monies and we share in the responsibility, we should monitor these programs. I do not believe that we ought to leave it up to just a General Accounting Office or to the Office of Management and Budget. People I have never met and most likely people I will never see. I think we have a duty to see how our children are behaving. I think we need to follow through and then if changes need to be made, have the courage to make those changes.

By the way, have any of you ever been consulted on the Federal budget? I have been interested in the budgetary process for a long time. And I made this, what I am about to now, while I was a Vice President which did not endear me to certain powers, but I want to repeat it again. My first experience with the Budget Director was when I was Vice President, was with Mr. Gordon and he went to President Johnson and said "I don't believe your Vice President likes me." And the President called me in and said "What is this about you and the Budget Director?" I said "What do you mean?" He said, "Well, he said to me that you treat him in a way that indicates that you have some personal animosity". "Oh", I said, "That's not true at all". I said, "I think he is a fine man". "Well", he said, "Call him over to your office and have a little talk with him". So the Budget Director, Mr. Gordon, came on over to the office and we sat down and he looked at me and he said, "I/<sup>might</sup> just as well be frank with you Mister Vice President. I think your feelings about me are very personal. I think that you really just don't like me. And I regret it because we are going

to be compelled as you know to work together." I said, "Well, that's ridiculous". I said, "it isn't a question about not liking you; as a matter of fact, I do like you. I think you're an outstanding man but," I said, "I will tell you something. I have never yet seen anything that came from the Bureau of the Budget that was good for the State of Minnesota. I have never seen any time that I didn't feel that the Bureau of the Budget was more of a threat to me and what I wanted to do at home than even some foreign powers. So you'll have to forgive me -- I've been a Senator and now I've only been Vice President for a week. And I was Senator for 16 years and every thing I've ever been for, you guys have always been against. Give me another week to turn around, will you?"

Now what do I hear? The same thing. The Office of Management and Budget now deciding whether or not programs that we authorize should be carried out. But my point is, here we have huge programs for urban centers. Not a mayor is consulted. Here we have programs relating to state planning. Not a state planning agency is consulted. I have yet to find a governor who really has been called in by the Bureau of the Budget to say "What do you think is needed in your state if you were asked what you need". No, these budgets are prepared in-house by a group of people who live in a kind of an accountant's catacomb. They sit behind there and they prepare these budgets.

Oh yes, they get their information from out in what they call their "district offices" and the district office information is filtered up through the departments and I've been in the Executive Branch of government. The filtering process is very good; all humanity is filtered out by the time it gets to the top. Sure, I give a dramatic emphasis because it needs to be driven home.

A budget of the Federal level of government of \$268 or \$270 billion ought not to be prepared just by a Cabinet and the President and an Office of Management and Budget. It ought to have the input of state legislative bodies. It ought to have the input of mayors and governors. It ought to have the input of people who live in these communities: labor movements, Chambers of Commerce, educators. Listen, if we can have hearings about everything in God's green earth from the problems of the boll weevil up to Watergate, we can have public hearings about how to prepare a \$270 billion budget which represents the life of this nation. And it's time that we came to grips with it.

And I want to see us establish a Federal-State Legislative Council. Some of you are familiar with it. Quickly, it's a bill in the Congress now. It's a 24 member bipartisan council that will explore and research problems common to the legislative process. I have a lot more about it but time runs out.

Another proposal I'd like to have it a better way of financing the public structure. We've got to come now to the Congress every time you want some extra funds for public works. Well, in part, that serves the purpose. Today in foreign aid, for example, we have bilateral aid; we also have multi-lateral. We have big banks. The only thing I found out about banks: they seldom lose money. They seldom run deficits for some reason or another, even when they're World Banks -- with half, two-thirds of the world impoverished, the World Bank still makes money.

The Interamerican Development Bank dealing with Latin America, where the per capita income is under \$400.00 a year, makes money. Gee, they know how to do it! Now, we've got a bank for everybody. We've got the World Bank, the Interamerican Development Bank, the Asian Development

Bank, the Central American Development Bank, the International Development Association, the U.N. Development Fund. We've got something for everybody except ourselves!

We need, for the financing of many of the public works that are vital to the health of our community, a National Domestic Development Bank that is established like the Federal Land Bank was which made possible the great agriculture of this country, and has paid for itself and is owned now by its own borrowers. And we could do it. And I need your help to get it done. Why, the average municipal bond in this country is less than 15 years. Listen, if we had to build homes with 15 year mortgages, we'd be living in teepees or sod huts!

Why is it that in Sweden and Germany they can have a bank such as I am talking about where the loan rate runs for 100 years. And some of it for the terms for 40 and 50 years. And that's why they finance new cities. That's why they finance transit systems. That's why their Mark today is good and their Crown and Kroner is good, because they put some sensibility into public financing. The need for new schools and new housing and new communities requires some new methods of public financing that are not irresponsible but are under banking standards.

And we need the same thing for rural development in America. I hope that each of you in your respective capacities is seeing to it that your state government has a rural development office. Because rural America -- and there's rural America in New Jersey and Connecticut and Delaware and Rhode Island, just as there is in Minnesota, Nebraska, North and South Dakota and Wisconsin -- rural America needs attention. We cannot permit it once to be drained of its manpower and secondly of its resources. It needs attention.

As a matter of fact, may I say the transportation needs of rural America are as vital today as any interstate highway system, lest we find ourselves starving to death in mountains of plenty, unable to move the product to the community. And then I want to call to your attention just another little practical suggestion: the establishment of what I would like to call a system of urban area development corporations. Learning from urban renewal which had its purpose and has served its purpose and made some mistakes. But let's not just cast it aside, let's build from it.

And this is where state legislatures come in because the operative power for these urban area development corporations must come from state law. The corporations must have the support of the Federal government interest subsidies, guarantees, tax incentives and technical assistance. But only they will be effective if state legislatures give the corporations the powers which are necessary for rehabilitation and redevelopment. The power to issue bonds, prepare and execute development plans, exercise powers of eminent domain to buy and sell property, to rebuild neighborhoods. The bulldozer is not the only instrument that's available. We can rebuild as well as tear down and build anew.

And simple other things -- it isn't necessary to have a Presidential representative for every region in this country to coordinate the programs. We sent a Presidential representative to NATO, we sent a Presidential representative to OAKS, ECD, we send a Presidential representative as an ambassador to every country to coordinate all of the same agencies that are out in our respective states. But we have no Presidential representative; that is, who speaks for the President, that has the power of coordination -- to bump heads together, to get some answers for people who need answers.

I have seen the ball kicked around in these regional offices until pretty soon people just give up in disgust. You need somebody you can go to who is in a sense an assistant president in each region that can bring together HUD and HEW and Labor and say "All right, now sit down. We've got a job to do here. Quit goofing off and let's get on and get the job done." And until you have someone who is Mr. Boss, somebody that has the title, I can tell you it won't work. Because every Cabinet officer in any Administration thinks he's a separate member of the United Nations with his own separate budget, and separate money, until somebody moves in on him.

And I'd also like to see, Gerry, local government leaders meeting regularly with the Vice President, the Speaker of the House, the Majority and Minority Leadership of the House and the Senate. I think this ought to be not just a once-a-year, but systematic through the years. That you can come together through your duly elected and selected representatives to sit down with a Carl Albert and you can sit down with a Gerry Ford and a Mike Mansfield and you can sit down, if you please, with a Hugh Scott and others and talk these things out so that we get a better view of what you have in mind.

And would you then, also, finally give your attention to the necessity of this government to plan. We have relied on God Almighty and good luck. And I want to tell you our luck's running out and God's busy. And I say that with reverence.

We have really refused to plan the use of our resources. Here is this great and mighty nation -- and it is great and I don't downgrade it. And I don't think there is anybody so completely befuddled that he can destroy the country. I think the vitality of this country is so great

that it can even stand the worst blundering blunderbusses. That we'll make do some way, but why do that? We're the only modern industrialized nation on the face of the earth without any planning.

Of course HUD demands that before a local government get any money that the local government present a comprehensive plan to HUD what it intends to do with the money. And I've told many a mayor, "Why don't you ask HUD to tell them what their plans are with their money?" They have none. Now I speak of this not out of prejudice, but, may I say, out of experience. We're the only country without any system other than the Office of Management and Budget for the planning as to priorities and goals of this country. We can't do everything at once and you and I know it. There are limits. There are limits to the Federal Treasury and there are limits to yours. And we have to make up our mind what comes first.

There is no planned transportation for America, so we've got problems in the Northeast Corridor. Well, the Northeast Corridor ties into the Midatlantic states too. And the Middle Atlantic States tie into the Midwest and the Midwest into the Rocky Mountain states and to the Southeast and Southwest and the West. There is no plan. None, whatsoever. We move huge quantities of commerce on roads that were built for commerce 50 years ago. There is no in-built plan between highways and rails and airports. There isn't even a plan between busses and airports.

And one of these days, just to pick that example, one of these days this country will come grinding to a halt. I bring you the contemporary news. We're going to have a good crop this year, the Lord willing, and I think He is, but mark what Hubert Humphrey tells you today.

You will see piles of grain on the ground and no boxcars and no hopper cars and no trucks to move them. You will see piles of grain on the ground and no storage because the government sold off the storage bins. And you will see fields of corn and soybeans and no fuel oil to dry them. And mark my words, if we suffer as much as a ten percent reduction in the nutrient value of corn and soybeans, we will have an international food catastrophe. That's how close it is. The margins this year as to supply are down 50% from last year, that brought on the high prices. We haven't been able to move last year's crop. It's still most of it in the terminals.

And we planted 42 million acres more of feed grains this year over and above last year. And we're hearing public officials say that they're going to see that we get as much fuel as we had last year. Last year we were in trouble and if we only get as much as last year, we're going to be in more trouble than ever. This is what I mean by the failure to plan.

I want to know what this Federal government intends to do in cooperation with the states and the governors. I want to know how we're going to move this grain. I want to know how we're going to get it to port. I want to know whether or not we're got a policy on exports, as well as domestic products. I want to know if we're just going to let it happen. I want to know if we're going to have \$6 wheat simply because people don't know if there's going to be any wheat, and how much there's going to be. I want to know whether or not we're going to have the fuel to harvest this crop. And I'll tell you why I don't know and why you don't know: 'cause nobody has planned for a damned thing. We're just waiting and hope its going to work out.

Well, last year the Lord God Almighty in his beneficence took care of us. He gave us the warmest winter we've had in 37 years in the Midwest. And we were within three days of running out of fuel oil in Minnesota, and we have districts there and school districts that can't get an account, that can't get a contract and you have them here too.

And all over the nation it's the same thing. Now we're being whistled to again, and saying "it will all work out all right". Well, I believe in the power of prayer and I do pray. But once in awhile I think we ought to help do some of the work ourselves.

Thank you very much.



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