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Speeches

Edmund S. Muskie Papers

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## Remarks by Senator Edmund S. Muskie at the Hamilton County Democratic Reception

Edmund S. Muskie

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REMARKS BY SENATOR EDMUND S. MUSKIE  
HAMILTON COUNTY DEMOCRATIC RECEPTION - CHATTANOOGA, TENNESSEE  
7:00 P.M., SEPTEMBER 20, 1971

I AM PROUD TO BE IN TENNESSEE -- A STATE WHICH HAS SHOWN THE NATION  
WHAT CAN BE GOOD AND GREAT ABOUT THE SOUTH.

I AM HERE TO SPEAK WITH YOU ABOUT PROMISES MADE AND PROMISES BROKEN. . .  
ABOUT AN ADMINISTRATION WHICH IS PLAYING POLITICS WITH PROSPERITY . . .  
AND ABOUT THE SOUTH, WHICH MUST HELP BRING NEW LEADERSHIP TO AMERICA.

I BELIEVE THAT THIS STATE AND THIS REGION CAN MAKE THE CRUCIAL  
DIFFERENCE IN THE NEXT ELECTION. AFTER FOUR YEARS OF REPUBLICAN FAILURE,  
FOUR YEARS OF DOUBT AND DECLINE, I THINK THAT PEOPLE HERE WILL BE MORE  
THAN READY TO PUT THEIR VOTES WHERE THEY BELONG . . . BACK IN THE DEMOCRATIC  
COLUMN. AND THOSE VOTES WILL PUT A DEMOCRAT BACK IN THE WHITE HOUSE IN  
1972.

SOME POLITICIANS THINK THEY CAN PREVENT THAT WITH A BACKWARD  
SOUTHERN STRATEGY WHICH INSULTS AND DIVIDES THE SOUTH. THEY THINK THAT A  
DEMOCRAT WHO CARES ABOUT CIVIL RIGHTS CAN NEVER CARRY THIS REGION. AND  
THEY ARE WRONG . . . THE TIME HAS LONG SINCE PASSED WHEN A CANDIDATE  
COULD COME TO TENNESSEE AFRAID TO SAY WHAT HE KNOWS IS RIGHT -- THAT COLOR

DOESN'T DEFINE HUMANITY, PEOPLE DO - THAT DEPRIVATION AND DESPAIR ARE  
COLOR-BLIND AND NO SOUTHERN STRATEGY CAN DIVIDE A BLACK WORKER FROM A  
WHITE WORKER WHEN BOTH SHARE THE COMMON EMPTINESS OF UNEMPLOYMENT . . .  
WHEN EACH IS A PARTNER IN THE FAILING AND FRUSTRATING SEARCH FOR A  
DECENT JOB.

THE DEMOCRATIC PARTY WILL SUCCEED IN THIS REGION NOT BECAUSE IT  
BUILDS BARRIERS BETWEEN HUMAN BEINGS, BUT BECAUSE IT APPEALS TO THE BEST  
HOPES OF EVERY CITIZEN AND EVERY RACE -- THAT TOGETHER WE CAN BUILD A  
BETTER COUNTRY, A PLACE OF PROSPERITY FOR ALL OUR PEOPLE.

BUT TODAY'S AMERICA IS FAR FROM PROSPEROUS.

THE FIGHT FOR ECONOMIC SECURITY -- A FIGHT WAGED BY FRANKLIN  
ROOSEVELT AND ESTES KEFAUVER, BY GEORGE NORRIS AND JOHN KENNEDY AND  
*AND ALBERT CORE*  
LYNDON JOHNSON, -- THAT FIGHT IS BEING LOST UNDER RICHARD NIXON.

FOR THREE YEARS, THIS ADMINISTRATION TOLD US THAT THINGS WOULD GET  
BETTER IF WE LEFT THEM ALONE.

BUT IN 1971, OVER FIVE MILLION WORKERS ARE OUT OF WORK.

AND SINCE 1969, THE PURCHASING POWER OF YOUR DOLLARS HAS DECLINED  
AGAIN AND AGAIN.

FOR ALMOST A THIRD OF A DECADE, A REPUBLICAN PRESIDENT HAS MONITORED THE STATISTICS. . . WHILE YOU AND YOUR FAMILIES, YOUR FRIENDS, AND YOUR NEIGHBORS HAVE FELT THE FULL, CRIPPLING IMPACT OF ECONOMIC RECESSION.

THE STATISTICS DO NOT SHOW THE ANGUISH OF A FATHER WHOSE CHILDREN ASK WHY HE STAYS AT HOME.

THEY DO NOT SHOW THE FRUSTRATION OF A HOUSEWIFE WHEN HER REFRIGERATOR BREAKS DOWN AND THERE IS NO MONEY FOR REPAIRS.

AND THEY DO NOT SHOW THE INDIGNITY OF SKILLED CRAFTSMEN FORCED TO PLEAD FOR MENIAL LABOR.

FOR MILLIONS OF AMERICANS, THE LAST THIRTY-TWO MONTHS HAVE BEEN HARD TIMES. . . A TIME OF PAIN AND ANXIETY AND SPREADING DOUBT. NOW THE PRESIDENT HAS ACTED. . . AFTER A PERIOD OF PROLONGED NEGLECT. HE TALKS ABOUT THE BIGGEST ECONOMIC PROGRAM SINCE 1933. NO WONDER. . . THIS COUNTRY IS IN THE MIDST OF THE BIGGEST ECONOMIC DISASTER SINCE THE GREAT DEPRESSION.

THERE WAS AN ALMOST AUDIBLE SIGH OF RELIEF ACROSS THIS LAND WHEN THE PRESIDENT RECOGNIZED THAT. . . WHEN HE FINALLY STOPPED TRYING TO



CHEERLEAD THE COUNTRY BACK TO PROSPERITY. BUT THE ELUNT TRUTH IS THAT THE ADMINISTRATION WHICH WAS DOING NOTHING HAS NOW DONE THE WRONG THING.

THERE ARE TWO WAYS TO CREATE GROWTH IN THE AMERICAN ECONOMY. . . BY HELPING THOSE WHO ARE TRULY IN NEED. . . OR BY DOING MORE AND MORE FOR THOSE WHO ARE ALREADY WELL OFF.

WHO DID THE PRESIDENT PICK TO PAY THE PRICE OF STOPPING INFLATION? THE AVERAGE INCOME AMERICAN.

AND WHO DID HE PICK TO REAP THE BENEFITS OF TAX CUTS AND ECONOMIC STIMULATION? CORPORATIONS AND THE WEALTHY.

THE PRESIDENT HAS JUST CALLED FOR THE GREATEST SINGLE CORPORATE TAX CUT IN ANY YEAR IN THE HISTORY OF THIS COUNTRY. AT THE SAME TIME, SOCIAL SECURITY TAX INCREASES MAY WIPE OUT EVEN THE MEDEST GAINS HE PROMISES FOR MIDDLE INCOME FAMILIES. I DID NOT SUPPORT -- AND I WILL NEVER SUPPORT -- A PROGRAM LIKE THIS. . . WITH APPROXIMATELY \$14 BILLION IN BENEFITS FOR BIG BUSINESS. . . AND ONLY \$5 BILLION FOR AMERICA'S WORKERS AND CONSUMERS.

THIS IS NOT RIGHT. IT IS NOT GOOD ECONOMICS. IT IS NOT GOOD SOCIAL POLICY. AND IT IS NOT FAIR.

A PROSPEROUS ECONOMY REQUIRES TWO THINGS. . . AN INDUSTRIAL CAPACITY WHICH CAN GROW IN RESPONSE TO THE DEMAND FOR GOODS AND SERVICES. . . AND

ENOUGH CONSUMER SPENDING TO GENERATE THAT DEMAND.

PRESIDENT NIXON HAS DECIDED THAT THE BEST PLAN IS TO INCREASE INDUSTRIAL CAPACITY. HE HOPES TO ENCOURAGE THE PRODUCTION AND INSTALLATION OF NEW PLANT MACHINERY THROUGH FEDERALLY SUBSIDIZED CORPORATE INVESTMENT. BUT BUSINESS NEEDS MARKETS, NOT SPECIAL PRIVILEGES -- BUYERS, NOT A TAX BREAK -- SALES, NOT AN \$8 BILLION INVESTMENT CREDIT.

CORPORATE CAPACITY IS AT 70% IN 1971. THAT MEANS A THIRD OF THE WORLD'S GREATEST INDUSTRIAL PLANT IS LYING IDLE, ALONG WITH MILLIONS OF WORKERS TRAINED TO USE THE TOOLS OF PRODUCTION. AT THE SAME TIME, SPENDING ON CAPITAL GOODS IS REMARKABLY STRONG, WHILE THE ECONOMY REMAINS WEAK. WHY, THEN, SHOULD WE TURN TO A CORPORATE TAX GIVEAWAY. . . JUST TO PROVIDE MORE GAINS FOR THOSE WHO ARE ALREADY FAR AHEAD?

THE KEY TO PROSPERITY IS NOT TO LET MONEY TRICKLE DOWN TO PEOPLE. THE KEY IS HIGHER CONSUMER DEMAND -- SO MONEY CAN MOVE UP FROM PEOPLE AND STIMULATE INDUSTRY INTO HIRING NEW WORKERS AND PUTTING IDLE CAPACITY TO WORK.

CONSUMER SPENDING IS CURRENTLY IN A DANGEROUS DEPRESSION. TAXPAYERS

NORMALLY SAVE 6% OF WHAT THEY EARN. BUT THIS YEAR, THEY ARE SAVING AT A RATE OF 8%. WE CAN REBUILD THE ECONOMY ONLY BY RESTORING THEIR CONFIDENCE -- ONLY BY GETTING CUSTOMERS INTO STORES -- ONLY BY CONVERTING SAVINGS INTO PURCHASING POWER. ALL THE PLANT MACHINERY IN THE WORLD WILL MEAN NOTHING IF THERE IS TOO LITTLE TO PRODUCE BECAUSE SALES ARE TOO LOW.

SO THE CRITICAL CHALLENGE NOW IS TO STIMULATE CONSUMER DEMAND. THAT IS THE ONLY SURE TICKET BACK TO PROSPERITY. IN 1971, WHAT IS GOOD FOR THE CONSUMER IS GOOD FOR BUSINESS. . . AND EVEN BETTER FOR WORKERS.

THAT IS WHY I PROPOSED A CONSUMER TAX CREDIT IN LOS ANGELES TWO WEEKS AGO. AND I WILL INTRODUCE LEGISLATION IN THE SENATE TO MAKE THE IDEA A REALITY. . . TO ALLOW UP TO A \$100 TAX CREDIT TOWARD THE PURCHASE OF CONSUMER DURABLES EXCEPT AUTOMOBILES. . . ITEMS RANGING FROM A NEWLY MARRIED COUPLE'S FURNITURE TO A LONG AWAITED TV SET FOR A RETIRED WORKER.

LIKE ALL LEGISLATION, THE CONSUMER TAX CREDIT HAS ITS OWN SPECIAL COMPLEXITIES -- FORMULAS AND RATIOS AND INCOME CUT-OFFS. THEY ARE DESIGNED TO ASSURE MAXIMUM STIMULATION AND MAXIMUM FAIRNESS TO LOW AND AVERAGE INCOME AMERICANS.

BUT I DO NOT INTEND TO EXPLAIN ALL THE TECHNICAL DATA HERE TONIGHT.



INSTEAD, I WANT TO FOCUS ON THE TRUTH BEHIND THE TECHNICALITIES. I WANT TO TALK ABOUT THE MEANING OF A CONSUMER CREDIT FOR THE PEOPLE OF TENNESSEE.

TAKE A FAMILY OF FOUR IN MEMPHIS WITH A TAXABLE INCOME OF \$12,000. UNDER THE CONSUMER CREDIT, THEIR TAXES WILL GO DOWN. . . BY \$100 FOR THE FIRST THOUSAND THEY SPEND ON CONSUMER DURABLES. SO IF THEY BUY A NEW DISHWASHER AND A NEW COUCH WHICH TOGETHER COST THAT MUCH, THEY CAN SUBTRACT A HUNDRED DOLLARS FROM WHAT THEY OWE THE FEDERAL GOVERNMENT AT THE END OF THE YEAR.

TAKE ANOTHER FAMILY, A FAMILY IN NASHVILLE WITH A TAXABLE INCOME JUST UNDER FIVE THOUSAND. WE CAN'T EXPECT THEM TO PUT A THOUSAND DOLLARS A YEAR INTO DURABLES -- THE COST OF FOOD AND CLOTHING ALONE MAY NOT LEAVE THEM WITH THAT MUCH MONEY. SO UNDER THE CONSUMER CREDIT, THEY WILL RECEIVE AN AUTOMATIC \$100 REDUCTION IN INCOME TAXES. WE KNOW THEY WILL SPEND EVERY PENNY OF THAT. . . FOR VITAL GOODS AND SERVICES THEY COULD NOT OTHERWISE AFFORD.

NOW MOVE OVER TO SHELBYVILLE AND TAKE A LOOK AT ONE LAST FAMILY. THEIR TAXABLE INCOME OF SEVENTY-FIVE HUNDRED IS JUST ENOUGH TO GIVE THEM



A CHOICE BETWEEN SAVING AND SPENDING -- BUT NOT ENOUGH TO PAY FOR A THOUSAND DOLLARS IN DURABLE GOODS NEXT YEAR. SO THE CONSUMER CREDIT WILL ALLOW THEM AN AUTOMATIC TAX CUT OF \$44. . . AND A FURTHER TAX CUT EQUAL TO 10% OF THEIR DURABLE PURCHASES UP TO \$560. IF THEY SPEND THAT AMOUNT ON A COLOR T.V. AND A DINING ROOM SET, THEY WILL END UP WITH A \$100 REDUCTION IN INCOME TAXES.

HERE IN TENNESSEE AND ACROSS THE COUNTRY, A CONSUMER CREDIT WILL OFFER TAXPAYERS AT EVERY LEVEL THE CHANCE FOR AN EXTRA \$100 IN PURCHASING POWER. ALL THAT IS ASKED IN RETURN IS THAT THEY SPEND TOMORROW MORE THAN THEY DID TODAY -- THAT THEY REACH BEYOND YESTERDAY'S BUYING HABITS TOWARD A MORE DECENT STANDARD OF LIFE. AND THEIR INCREASED SPENDING WILL ALSO MEAN MORE SALES FOR STORES, MORE WORK FOR FACTORIES, AND MORE JOBS FOR THE UNEMPLOYED. IN THE END, WITH EVERY FAMILY INVESTING ADDITIONAL DOLLARS IN ITS OWN FUTURE, THE CONSUMER CREDIT WILL GIVE OUR ECONOMY A MASSIVE \$7 BILLION SHOT IN THE ARM.

THAT IS THE RIGHT WAY TO CREATE JOES -- JOBS FOR MACHINISTS AND AND ELECTRICIANS, JOBS FOR FACTORY WORKERS AND REPAIRMEN, JOBS FOR SALESMEN AND CARPENTERS.

AND IT IS ALSO THE FAIREST WAY TO CREATE JOBS -- THE WAY THE  
DEMOCRATIC PARTY HAS ALWAYS TRIED TO BUILD PROSPERITY. . .  
BY PUTTING MONEY IN THE WALLETS AND POCKETBOOKS OF FAMILIES -- NOT JUST  
IN THE COFFERS OF CORPORATE TREASURIES.

IT IS NOT FAIR TO LET JUST A HANDFUL OF WELL-OFF AMERICANS FIND  
OUT WHAT THEIR COUNTRY CAN DO FOR THEM. WE MUST NOW TURN AWAY FROM  
THE POLICY THE PRESIDENT WANTS. . . TOWARD A POLICY TO SERVE ALL OUR  
PEOPLE.

A PRESIDENT WHO IS WILLING TO TRAVEL TO PEKING FOR NEGOTIATIONS  
WITH THE COMMUNIST CHINESE SHOULD ALSO BE WILLING TO TRAVEL DOWN THE  
STREET FOR AN ECONOMIC CONFERENCE WITH ORGANIZED LABOR.

SINCE 1969, TENNESSEE HAS HAD SOME SUCCESS IN DEFENDING ITS  
ECONOMY FROM INACTION IN WASHINGTON . BUT GIVE THIS ADMINISTRATION A  
FEW MORE YEARS. . . AND UNEMPLOYMENT HERE WILL FAR EXCEED 4.6%.

I DON'T THINK YOU WANT TO SEE THAT HAPPEN. I DON'T THINK THE  
VOLUNTEER STATE WILL VOTE FOR AN ADMINISTRATION WHICH PLEDGED PROSPERITY. .  
PRODUCED RECESSION. . . AND NOW PROMISES THE ECONOMIC MIRACLE OF GETTING

US BACK WHERE WE WERE WHEN THEY STARTED.

EVER SINCE FRANKLIN ROOSEVELT RESHAPED A DEPRESSED ECONOMY INTO A THRIVING NATION, THE DEMOCRATIC PARTY HAS SHARED A FUNDAMENTAL FAITH WITH TENNESSEE. IT IS THE FAITH WHICH BUILT THE TVA AS SURELY AS BRICKS AND MONEY AND MORTAR. IT IS AN UNSHAKEN BELIEF THAT THE PEOPLE OF THIS NATION ARE THE SOURCE OF ITS VISION, AND ITS STRENGTH, AND ITS DESTINY. THEY DESERVE A GOVERNMENT WHICH STANDS AGAINST SPECIAL PRIVILEGE. . . AND FOR ECONOMIC JUSTICE.

MORE THAN ALMOST ANYTHING ELSE, OUR ECONOMY REFLECTS OUR SENSE OF VALUES. . . OUR CAPACITY TO BE DECENT AND FAIR. . . WHETHER WE CAN RESPECT OUR COMMON HUMANITY. . . WHETHER WE CAN TRUST EACH OTHER.

AND ANY PRESIDENT WHO SACRIFICES THE NEEDS OF 200 MILLION AMERICANS IN ORDER TO GIVE A \$14 BILLION BONUS TO BIG BUSINESS -- THAT PRESIDENT DESERVES TO BE CALLED A ONE-TERM PRESIDENT.

WE WILL GIVE HIM THAT TITLE -- TOGETHER -- IN 1972.

WE CAN DO THAT MUCH -- AND THEN TOGETHER WE CAN DO SO MUCH MORE.

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