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## AFL-CIO Convention

Max S. Baucus

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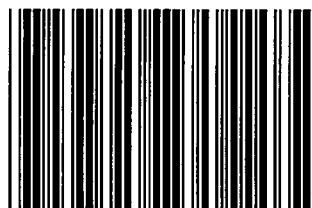
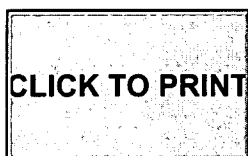
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(2) Subject\* **AFL-CIO Convention**

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BAUCUS

STATEMENT OF SENATOR MAX BAUCUS

AFL-CIO CONVENTION

AUGUST 19, 1983

Thank you for inviting me here this morning. It is always good to be back with friends like Jerry Driscoll and Jim Murray and others who have given me such tremendous support and advice over the years.

I spoke to you a year ago and said tough times were ahead:

- More than 30,000 Montanans were out of work;
- Bankruptcies were at Depression levels;
- The deficit was approaching \$100 billion;
- Republican conservatives were entrenching themselves after political victory in 1980.

Things aren't much better today.

- The new year started with 40,000 Montanans out of work;
- The usual July employment boom didn't come this summer;
- In the last few weeks, interest rates have started to rise again;
- Housing construction has started to drop;
- The budget deficit will top \$200 billion -- the largest level in history.

Montana workers are frustrated and for good reason.

The Reagan Administration <sup>is</sup> proclaims <sup>ing</sup> an "economic recovery."

But for whom?

Not for the average <sup>American</sup> worker <sup>in</sup> Montana.

Take a look at the Reagan tax cut. <sup>This</sup> last year, a working <sup>Family</sup> Montanan, earning \$20,000 a year, <sup>will get</sup> got a <sup>1,200</sup> \$300 tax cut.

<sup>a family</sup> But someone earning \$100,000 <sup>will get 8,390</sup> <sup>seventimes more!</sup> ~~got \$3,000. Ten times more!~~

Next year, that middle income worker will get <sup>1480</sup> ~~\$600~~, compared to a <sup>9,070</sup> \$7,000 tax cut for the wealthy person.

Meanwhile, contrary to President Reagan's promises, the Reagan Economic Program has not created new jobs. In fact, <sup>in MT alone</sup> there ~~were~~ <sup>last</sup> are only 11,800 construction jobs in Montana ~~this~~ year. ~~Only~~ ~~11,800!~~ <sup>The</sup> <sup>before</sup> Last year, there were 14,100.

This so-called economic recovery doesn't seem to be a recovery for working <sup>Americans</sup> ~~Montanans~~. Instead it is a boondoggle for the rich. Working <sup>American</sup> ~~Montanans~~ are being asked to sacrifice. Only the wealthy few come out ahead.

What we need is a genuine economic recovery. One that improves the standard of living for working <sup>Americans</sup> ~~Montanans~~.

We need to begin to restore the promise of a prosperous future for our people.

We need to begin by being absolutely clear about our ultimate goal: Jobs. More jobs. Stable jobs. Montana jobs.

Montana employers should hire Montanans.

Our goal should be to make sure that every Montanan who wants a job has the opportunity to work in our state.

We must attract new businesses and industries to our state to replace those that have left.

Furthermore, labor, by itself, cannot create jobs. New jobs will come to Montana only if labor, management, state, local and federal government work together.

We must also remember that Montana is not an island.

ational and international forces shape our economic destiny -- dramatically.

A genuine national economic recovery not a phony economic recovery must occur to make Montana's effort fruitful.

And that means action on several fronts:

- Our top economic priority must be a return to lower, stable interest rates.

Lower interest rates can be accomplished only through steady and significant reductions in the federal deficit. Lowering the deficit will reduce the competition for capital between private sector borrowers and the federal government.

- Next, we simply can't give ourselves the largest tax cut in American history, and still pay for the largest peacetime military build-up. Lower taxes and higher defense expenditures will mean a \$200 billion deficit for each year in the foreseeable future. Federal credit demands will dry up more than half of all the funds available for borrowing in 1984 and 1985.

- We also must reform the Federal Reserve. Working Montanans should not be held hostage by monetary policies set by a group of Wall Street bankers who are more concerned with protecting the big banks than they are about lowering interest rates to put people back to work.

Interest rate goals must be coordinated with the economic goals set by Congress and the President so that no one group bears an unfair burden in our efforts to strengthen America's economic base.

But that is only half the battle. We also must take several steps to improve our own economy here at home.

First, we must invest Montana dollars in Montana businesses. We must stop the flow of savings out of our state. The money

Working Montanans save should be used for investments that will create new jobs here at home.

Second, we must make it easier for present businesses to grow and and expand. We can do that by simplifying federal tax laws and providing other incentives.

Third, we must increase our exports. Why? Very simple! For every \$1 billion in American exports, 30,000 new jobs are created.

We need a much stronger export trade policy. The Japanese flood our country with televisions and cars. Yet they block our attempts to sell our wheat and cattle in their country. That's unfair. It robs Montanans of jobs.

These are my goals: to make sure every Montanan who wants to work has the opportunity to do so. And at a decent wage!

We need jobs. We need a real economic recovery. We need the kind of recovery where all workers can share in the rewards.

And we need fairness. Fair taxes. Fair budget cuts. Fairness to working people who have a right to bargain collectively for fair wages and a safe working place.

These goals aren't so difficult. Together. Working together we can achieve them.

So, together, let's get the job done.

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