

8-16-1984

Montana State AFL-CIO Convention

Max S. Baucus

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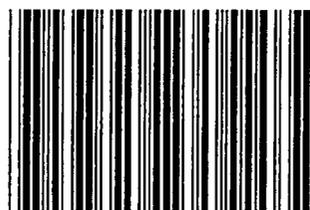
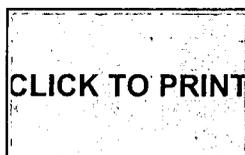
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(2) Subject* **Montana State AFL-CIO Convention**

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* "required information"



BAUCUS

STATEMENT OF MAX BAUCUS
BEFORE THE MONTANA STATE
AFL-CIO CONVENTION

1984 AUG 30 PM 12:47

HELENA, MONTANA

August 16, 1984

I AM PLEASED TO BE HERE WITH ALL OF YOU TODAY. I'M
ESPECIALLY GLAD TO SEE JIM MURRY, JERRY DRISCOLL AND NADIEAN JENSEN
AND ALL OF MY FRIENDS IN THE LABOR COMMUNITY.

THE SENATE CAMPAIGN

AS MANY OF YOU KNOW, I'VE BEEN CAMPAIGNING HARD ALL ACROSS
THIS GREAT STATE.

I'VE BEEN TALKING ABOUT THE GREAT CHALLENGES WE FACE AS A
STATE:

- o THE CHALLENGE OF HIGH INTEREST RATES; AND LOST JOBS.
- o THE CHALLENGE OF BRINGING BACK JOBS THAT WE^{VE} EXPORTED OVERSEAS;
- o THE CHALLENGE OF SKYROCKETING HEALTH COSTS.

AND I MUST TELL YOU, I REALLY FEEL I'M ON TO SOMETHING.

EVERYWHERE I GO, PEOPLE NOD THEIR HEADS WITH APPROVAL:
SENIOR CITIZENS NOD THEIR HEADS. WORKING MEN AND WOMEN NOD THEIR

HEADS. THEY'RE IN AGREEMENT.

○ THEY WANT US TO TAKE THE CHALLENGES

THAT ARE FAIR,

○ THEY ARE WILLING TO SUPPORT TOUGH, EFFECTIVE SOLUTIONS.

THEY COME UP TO ME IN THE STREETS AND TELL ME: "MAX,
YOU'RE RIGHT ON THOSE DEFICITS. I LIKE YOUR SPENDING FREEZE. IT'S
TOUGH! KEEP IT UP!"

SO I'M FEELING GOOD ABOUT THIS CAMPAIGN:

AND I WILL CONTINUE TO WAGE A POSITIVE AND AGGRESIVE CAMPAIGN,

THE OPPOSING VIEW

BUT THE CLOSER WE GET TO ELECTION DAY, THE MORE WE FIND
CANDIDATES WHO AREN'T CONDUCTING THEMSELVES THAT WAY!

THEY ARE TRYING TO SELL A HOLLYWOOD FANTASY TO THE PUBLIC,
THEIR VERSION OF ALICE IN WONDERLAND.

I'M REMINDED OF THE PASSAGE IN THE BOOK WHERE THE QUEEN SAYS
TO ALICE: "I ALWAYS TRY TO BELIEVE SIX IMPOSSIBLE THINGS BEFORE
BREAKFAST."

WELL, THESE CANDIDATES WANT US TO BELIEVE AT LEAST SIX
IMPOSSIBLE THINGS LIKE:

o IF YOU GIVE ENOUGH MONEY TO LARGE CORPORATIONS, THEY WILL
 PROVIDE JOBS FOR EVERYONE.

OR, IF YOU TAKE AWAY ALL THE SOCIAL PROGRAMS OF THE LAST 50 YEARS,
 LIKE UNEMPLOYMENT INSURANCE AND SOCIAL SECURITY, NOBODY WILL BE HURT.

OR, IF YOU REDUCE TAXES AND RAISE DEFENSE SPENDING DRASTICALLY,
 YOU CAN STILL BALANCE THE BUDGET.

THOSE CANDIDATES ARE DISTORTING THE FACTS, THEY ARE PROMOTING
 QUICK FIXES AND THEY ARE PROMISING EVERYTHING.

THIS AFTERNOON I WANT US TO SEND THEM A SIMPLE MESSAGE:
 " ^{They} ~~WE~~ WON'T GET AWAY WITH IT. THE FACTS WON'T LET ^{THEM} ~~US~~ GET AWAY WITH IT.
 AND WE WON'T LET ^{Them} ~~YOU~~ GET AWAY WITH IT."

NOW LET'S LOOK FOR A MOMENT AT THE FACTS:

FACT #1 - THE FEDERAL BUDGET DEFICIT HAS TRIPLED SINCE 1981!

FACT #2 - TODAY, EACH AND EVERY AMERICAN OWES \$2,304 JUST ON
 THE PUBLIC DEBT WE'VE ACCUMULATED SINCE 1981!

FACT #3 - THE GOVERNMENT TODAY IS PAYING \$115 MILLION MORE
PER DAY AS INTEREST ON THE PUBLIC DEBT THAN IN 1981!

THESE ARE THE FACTS!

NOW I AM ONE WHO IS WILLING TO SUPPORT THE PROPOSITION THAT WE ARE ALL TO BLAME FOR THESE FACTS.

BUT I AM UNWILLING TO LET THOSE WHO HAVE PRESIDED OVER THESE FACTS GET AWAY WITH LOOKING EVERYWHERE FOR THE CAUSE OF THEM, EXCEPT IN THE MIRROR.

AND I AM ALSO UNWILLING TO ALLOW THEM TO GET AWAY WITH PROPOSING FRAUDULENT SOLUTIONS:

For example,

- o THEY CLAIM THEY CAN CONTINUE TO INCREASE DEFENSE SPENDING;
- o THEY CLAIM THEY CAN PREVENT TAX INCREASES;
- o AND THEY CLAIM THAT ALL IT WILL TAKE IS A CONSTITUTIONAL AMENDMENT.

IT'S LIKE THE ALCOHOLIC WHO INSISTED THAT THE SOLUTION TO HIS PROBLEM WAS PROHIBITION!

THE CONSTITUTION DIDN'T CAUSE THESE DEFICITS.

AND THE CONSTITUTION CAN'T ELIMINATE THEM.

AND ANYONE WHO TELLS YOU DIFFERENT ISN'T TELLING YOU THE TRUTH.

Only even-handed, fair, hard work will get those deficits down

THE FREEZE

I'VE DONE MY PART TO TELL THE TRUTH ABOUT WHAT IS NECESSARY --
LIKE PROPOSING MY ACROSS-THE-BOARD SPENDING FREEZE.

IT'S A TOUGH SOLUTION.

BUT MOST IMPORTANT, IT'S FAIR.

IT'S ABOUT TIME WE ASKED THE PENTAGON TO MAKE THE SAME
SACRIFICES WE'RE ASKING WORKING MEN AND WOMEN TO MAKE.

IT'S ABOUT TIME WE ASKED OUR RICH CORPORATIONS TO MAKE THE
SAME SACRIFICES WE'RE ASKING ^{of} OUR ELDERLY ~~TO MAKE~~.

7
IN THE LAST THREE YEARS:

- o DEFENSE SPENDING HAS DOUBLED;
- o DISCRETIONARY PROGRAMS HAVE BORNE THE BRUNT OF CUTS;
- o AND THE DEFICITS CONTINUE TO SKYROCKET.

THAT'S MADNESS.

AND WE'VE GOT TO PUT A STOP TO IT.

THAT'S WHAT A FREEZE WILL DO.

IT WILL STOP THE MADNESS.

LAST WEEK I CALLED UPON THE CONGRESSIONAL LEADERSHIP TO CONVENE A SPECIAL SESSION OF CONGRESS AFTER THE ELECTION TO IMPOSE AN 18-MONTH SPENDING FREEZE THAT WILL GIVE US SOME BREATHING ROOM.

AND QUITE FRANKLY, IT WILL GIVE OUR NEXT PRESIDENT, WALTER MONDALE, A CHANCE TO BRING SOME SANITY TO THE FEDERAL BUDGET.

I KNOW THE FREEZE IS STRONG MEDICINE.

BUT OVER THE NEXT FEW MONTHS, I THINK PEOPLE WILL REALIZE THAT STRONG MEDICINE IS NECESSARY. AND I THINK THAT THE FREEZE WILL ATTRACT ADDITIONAL SUPPORT.

TAX REFORM

ANOTHER IDEA THAT'S ATTRACTING A LOT OF SUPPORT IS TAX REFORM.

EVERYBODY TALKS ABOUT IT.

BUT THE REAL ISSUE IS WHETHER WE ARE GOING TO HAVE A TAX CODE THAT MAKES THE RICH RICHER, WHILE IT PENALIZES EVERYBODY ELSE.

IF ONE LOOKS AT THE COMBINED EFFECT OF THE REAGAN TAX AND
 NDING CUTS, ONE FINDS THAT IN 1983, ^{REAGAN'S} ~~T~~ POLICIES:

- o TOOK \$270 OUT OF THE POCKETS OF HOUSEHOLDS EARNING BELOW \$10,000.
- o PUT OVER \$7,000 BACK INTO THE POCKETS OF HOUSEHOLDS EARNING OVER \$80,000.

IN 1978, THE "WORKING POOR" PAID 4% OF THEIR ~~E~~ INCOME IN FEDERAL INCOME AND PAYROLL TAXES. LAST YEAR THAT WAS UP TO ~~2%~~ 10%!

IN 1983 THE NATION'S 20 LARGEST BANKS HAD A COMBINED U.S. TAX RATE OF MINUS ^{4%} ~~2%~~ ON DOMESTIC EARNINGS OF \$1.4 BILLION.

~~SIX~~ OF THE 20 BANKS ACTUALLY COLLECTED TAX REFUNDS OR CREDITS AGAINST FUTURE LIABILITIES.

SO DESPITE THE REAGAN TAX CUTS, SOME ARE PAYING MORE NOW, WHILE THOSE AT THE TOP ARE PAYING MUCH LESS.

LET ME GIVE YOU ANOTHER EXAMPLE:

→ UNDER REAGAN,

~~BEFORE REAGAN~~, A PERSON COULD DEDUCT THE COST OF HIS BUSINESS CAR.

BUT THE PROVISION WAS ABUSED TO COVER A LOT MORE THAN BASIC TRANSPORTATION NEEDS.

A RICH LAWYER COULD BUY A POSH \$43,000 MERCEDES FOR TRIPS TO MEETINGS AND THE COURTHOUSE.

WITH A 6% INVESTMENT TAX CREDIT UP FRONT -- AND AN

ACCELERATED DEPRECIATION WRITEOFF FOR THREE YEARS, HE RECEIVED
 SUBSIDIES WORTH TENS OF THOUSANDS OF DOLLARS.

EVEN

A CALIFORNIA IMPORTED CAR DEALER HAD [^]SENT TAX ACCOUNTANTS
 A TELEGRAM REMINDING THEM THAT THEIR CLIENTS COULD OBTAIN A \$65,000
 TAX SUBSIDY FOR A NEW ROLLS ROYCE.

FOR THE LIFE OF ME, I DIDN'T UNDERSTAND WHY AMERICAN
 TAXPAYERS SHOULD BE UNDERWRITING THE COST OF SOME LAWYER'S ROLLS.

I OFFERED

SO, IN APRIL, ~~I WAS SUCCESSFUL IN OFFERING~~ A SIMPLE
 AMENDMENT TO THE TAX BILL.

IT LIMITS THE TAX SUBSIDY FOR CARS THAT COST MORE THAN
 OUT \$6,500.

I GOT MY AMENDMENT PASSED!

we save working men and women

THAT WAY ~~IT SAVES THE GOVERNMENT~~ ABOUT \$300 MILLION A
 YEAR, AND FORCES THE RICH TO GIVE UP SOME OF THEIR TAX BREAKS.

THIS IS JUST ONE EXAMPLE OF WHAT NEEDS TO BE DONE.

IT UNDERSCORES THE NEED FOR TAX REFORM THAT IS FAIR TO
 WORKING MEN AND WOMEN.

LABOR'S ROLE

ORGANIZED LABOR HAS A VERY IMPORTANT ROLE TO PLAY ~~IN THE~~

BECAUSE WHETHER IT'S TAX REFORM OR DEFICIT REDUCTION, THE ISSUE IS THE SAME: DOES THIS NATION EXIST TO PAMPER THE PRIVILEGED FEW, OR TO PROVIDE A FAIR SHAKE FOR EVERY CITIZEN?

THAT'S THE CENTRAL QUESTION.

THE ALICE IN WONDERLAND CANDIDATES WE TALKED ABOUT EARLIER WILL TELL YOU THAT THEIR POLICIES WILL BENEFIT WORKING MEN AND WOMEN. ~~THE~~

What do they do?

BUT WHILE THEY TELL YOU THAT ~~THEY ARE THE ONES THAT~~:

They are

o ~~A~~ STILL PUSHING "RIGHT TO WORK," LIKE MY OPPONENT;

They o WANT TO REPEAL THE HOBBS ACT;

They o WANT TO REPEAL OR WEAKEN DAVIS-BACON;

They o WANT TO WEAKEN OSHA, AND REDUCE AND RESTRICT UNEMPLOYMENT INSURANCE BENEFITS.

THE FANTASY CANDIDATES PROMISE SIMPLE SOLUTIONS -- A BALANCED BUDGET AMENDMENT, RIGHT TO WORK, A SALES TAX, AND THE LIST GOES ON.

EACH PROPOSAL IS SIMILAR IN ITS RESULTS -- IT REQUIRES SACRIFICES BY THOSE AT THE BOTTOM OF THE ECONOMIC PYRAMID, AND HELPS THOSE AT THE TOP.

IN THE NAME OF FAIRNESS, WE MUST REJECT THOSE PROPOSALS,
AND THOSE CANDIDATES.

IT IS TIME TO REGISTER PEOPLE TO VOTE AND TO GET THEM TO
THE POLLS.

IT IS TIME TO TALK SENSE TO WORKING PEOPLE, NOT OFFER THEM
UNREALISTIC FANTASIES.

CONCLUSION

THE ALTERNATIVE TO THE HOLLYWOOD FANTASY IS NOT PESSIMISM,
BUT A VISION OF A FAIR AND JUST SOCIETY.

OURS IS A VISION OF A COUNTRY WHERE EVERYONE HAS A JOB
WHO WANTS ONE.

AND THOSE JOBS ARE NOT SIMPLY MINIMUM WAGE JOBS IN FAST
FOOD OUTLETS, BUT THEY ARE GOOD-PAYING, SAFE AND PERMANENT JOBS.

THE VISION THAT YOU AND I SHARE IS NOT A FANTASY.

WE DO NOT PROMISE THAT EVERYTHING WILL BE ROSES, AND THAT
THERE ARE SIMPLE SOLUTIONS THAT TAKE NO WORK, NO EFFORT, NO
SACRIFICE ON ANYONE'S PART.

ALL WE PROMISE IS THAT OUR VISION OF AMERICA IS FAIR, NOT
TILTING OUR LEGAL AND ECONOMIC SYSTEM TOWARD THOSE WHO ALREADY
HAVE WEALTH IN GREAT ABUNDANCE.

IN A DEMOCRACY, THE FINAL CHOICE IS STILL OURS.

WILL WE BUY INTO THE HOLLYWOOD FANTASY?

OR WILL WE MAKE THE TOUGH CHOICES AND DO THE HARD WORK
NECESSARY TO BUILD A BETTER FUTURE?

THE CHOICE IS OURS.

THANK YOU.