

SPEECH BY : ROBERT MORGAN

To: GREENSBORO ROTARY CLUB
GREENSBORO, NORTH CAROLINA

DATE: OCTOBER 16, 1974

I APPRECIATE VERY MUCH THIS OPPORTUNITY TO MEET WITH YOU AND DISCUSS SOME OF THE PROBLEMS WHICH FACE ALL OF US TODAY.

YOU KNOW I HAVE BEEN CAMPAIGNING FOR SEVERAL MONTHS NOW, TRAVELING AROUND THE STATE, TALKING A LITTLE AND LISTENING A LOT IN AN EFFORT TO FIND OUT WHAT IS ON PEOPLE'S MINDS AND, MORE IMPORTANTLY, WHAT THEY THINK WE OUGHT TO DO TO GET THIS NATION BACK ON THE RIGHT TRACK AGAIN.

NORTH CAROLINIANS HAVE ALWAYS BEEN FAMOUS FOR THEIR INDEPENDENT THINKING AND I'M HERE TO TELL YOU THAT CHARACTERISTIC HASN'T CHANGED A LOT. THOUGH MOST PEOPLE BELIEVE THAT THE STATE OF THE ECONOMY IS OUR MOST PRESSING PROBLEM, THERE IS VERY LITTLE AGREEMENT ABOUT WHAT THE SOLUTIONS SHOULD BE.

BUT THEY DO AGREE ON ONE THING. THEY ARE TIRED OF HAVING PEOPLE PROMISE MIRACLES THEY CAN'T DELIVER ON.

THE SKYROCKETING INFLATION WE ARE EXPERIENCING TODAY DID NOT ARRIVE OVERNIGHT. WE ALL SAW IT COMING BEGINNING WITH THE RUSSIAN WHEAT DEAL CAUSING SEVERE GRAIN SHORTAGES AND THEN ^{SAW} IT ACCELERATED BY THE OIL CRISIS AND THE INTERNATIONAL MONETARY BLACKMAIL BY THE OIL EXPORTING NATIONS WHICH FOLLOWED.

WE SAW IT COMING, BUT WE AS INDIVIDUALS WERE HELPLESS TO DO ANYTHING AND THE NATIONAL ADMINISTRATION WAS TOO PREOCCUPIED WITH ITS OWN TROUBLES TO ACT ON OUR BEHALF.

CONCERN FOR RELATIONS ABROAD, A GOOD THING. IN MY OPINION, WAS ACCOMPANIED UNFORTUNATELY BY LACK OF CONCERN FOR AFFAIRS AT HOME AND NOW WE ARE REAPING THE HARVEST OF THOSE SEEDS OF NEGLECT.

IT IS A BITTER HARVEST ESPECIALLY FOR POOR AND MIDDLE INCOME WAGE EARNERS AND PERSONS ON FIXED INCOMES. FOR THESE PEOPLE, INFLATION HAS DESTROYED THE AMERICAN DREAM. AND SIMPLY MAKING ENDS MEET HAS BECOME A DAILY NIGHTMARE.

WHILE WAGES ROSE ONLY MODESTLY DURING THE LAST FIVE YEARS, AND BENEFITS FOR RETIRED PERSONS EVEN LESS, FOOD PRICES CLIMBED 47.2%; NON-FOOD COMMODITIES ROSE BY 26.6%; RENT INCREASED BY AN AVERAGE OF 22.8%; AND THE PRICE OF OTHER SERVICES CLIMBED BY 35.9%.

IF CURRENT TRENDS CONTINUE, THESE INCREASES TOO WILL LOOK MODEST COMPARED TO WHAT WILL COME IN THE FUTURE. AND THAT'S WHAT WE HAVE TO TRY TO DO SOMETHING ABOUT NOW.

AS A CANDIDATE FOR THE UNITED STATES SENATE, I'M NOT PROMISING MIRACLES AND I DON'T BELIEVE THE PEOPLE OF THIS STATE ARE LOOKING FOR A MIRACLE WORKER.

I AM PROMISING HARD WORK AND A DETERMINATION TO HELP TURN THIS COUNTRY AROUND. AND I AM OFFERING TWENTY-FOUR YEARS OF SERVICE IN GOVERNMENT, BOTH AT THE LOCAL AND STATE LEVEL, AS MY REASON FOR THINKING I HAVE SOME OF THE SKILLS WHICH ARE REQUIRED TO HELP DO THAT.

IT IS ENCOURAGING TO ME AS A FISCAL CONSERVATIVE TO HEAR SO MUCH FAVORABLE TALK THESE DAYS ABOUT ENDING DEFICIT SPENDING AND BALANCING THE FEDERAL BUDGET. I AGREE ONE HUNDRED PER CENT THAT THIS OUGHT TO BE THE FIRST MAJOR STEP WE TAKE TOWARD FISCAL RESPONSIBILITY IN WASHINGTON.

I JUST DON'T UNDERSTAND WHY IT TOOK US THIS LONG TO GET AROUND TO IT.

Q
HERE IN NORTH CAROLINA GOVERNOR ANGUS W. McLEAN
HAD THE EXECUTIVE BUDGET ACT ENACTED BY THE 1925 LEGISLATURE
REQUIRING THAT THIS STATE OPERATE ON A BALANCED BUDGET.
SINCE THAT TIME, FOR ALMOST FIFTY YEARS NOW, IT HAS BEEN
ILLEGAL FOR THE GENERAL ASSEMBLY TO ADJOURN WITHOUT
BALANCING THE BUDGET. WE WOULDN'T EXPECT TO OPERATE ANY
OTHER WAY.

CONSIDER THIS FACT WITH THE REALIZATION THAT
THE FEDERAL GOVERNMENT HAS HAD A BALANCED BUDGET FOR ONLY
TWO OF THE LAST TWENTY YEARS. YOU CAN^{see} HOW, IN THE WORDS
OF OUR DISTINGUISHED STATE TREASURER, EDWIN GILL, "(S)OUND
FINANCING HAS BEEN A WAY OF LIFE IN NORTH CAROLINA ..."
WHILE THE FEDERAL GOVERNMENT HAS MANAGED TO RUN UP A DEBT
OF OVER \$450 BILLION.

C
THIS SIMPLY HAS TO STOP. AND I AM WILLING TO
TAKE WHATEVER ACTION IS REQUIRED TO GET BACK TO A
BALANCED BUDGET AND START REDUCING THE NATIONAL DEBT.
I APPLAUD PRESIDENT FORD FOR HIS PROPOSAL TO DO SO.

C
HOWEVER, I MUST SAY THAT I DIFFER WITH HIM ON
SOME OTHER ASPECTS OF HIS RECENT ECONOMIC PACKAGE.

FOR ONE THING, I WAS CONCERNED TO HEAR HIM TALK SO MUCH ABOUT THE CREATION OF ADDITIONAL COMMISSIONS FOR THIS AND THAT, NONE WITH ANY REAL POWERS, AND THE APPOINTMENT OF A SIXTH ENERGY CZAR.

I HAVE BEEN AROUND GOVERNMENT LONG ENOUGH TO KNOW THAT WE HAVE JUST ABOUT STUDIED OURSELVES TO DEATH, I JUST CAN'T GET EXCITED ANY MORE ABOUT NEW STUDY GROUPS, WITH STAFFS OF SO-CALLED EXPERTS WHO END UP PUBLISHING VOLUMES NOBODY BOTHERS TO READ.

I WAS DISTURBED BY HIS TAX PROPOSALS.

I HAVE BEEN SAYING THROUGHOUT THIS CAMPAIGN THAT OUR TAX SYSTEM NEEDS REFORMING IN ORDER TO ACHIEVE TAX FAIRNESS. POOR AND MIDDLE INCOME WAGE EARNERS FOR TOO LONG HAVE BEEN CARRYING TOO MUCH OF THE TAX BURDEN WHILE OTHERS HAVE SLIPPED THROUGH TAX LOOPHOLES. INSTEAD OF MOVING TO DISTRIBUTE THE TAX LOAD MORE EQUALLY, THE PRESIDENT PROPOSED TO HEAP AN ADDITIONAL BURDEN ON THOSE ALREADY CARRYING THE MOST.

IF WE ARE GOING TO HAVE A SURTAX AT ALL IT OUGHT TO FALL ON THOSE WHOSE BUDGETS HAVE NOT BEEN HIT AS HARD BY FOOD AND FUEL COSTS AS HAVE THE \$15,000 A-YEAR FAMILIES. \$25,000 WOULD BE MORE REALISTIC BUT FRANKLY I'M NOT GOING TO SUPPORT ANY SURTAX UNTIL WE PLUG SOME LOOPHOLES AND GET SOME FOLKS PAYING TAXES WHO HAVE NOT BEEN DOING SO IN THE PAST.

CONSIDER THE FACT THAT THE INTERNAL REVENUE SERVICE REPORTED THAT IN 1972 THERE WERE 402 AMERICANS WHO MADE MORE THAN \$100,000 BUT PAID NO FEDERAL INCOME TAX.

AND THERE WERE FOUR PEOPLE IN THIS COUNTRY WHO MADE OVER A MILLION DOLLARS IN 1973 AND PAID NO TAXES.

DOESN'T THAT SOUND AS IF SOME LOOPHOLES SHOULD BE CLOSED?

LET'S LOOK AT THE OIL COMPANIES.

IN 1973, THE NATION'S 19 LARGEST OIL COMPANIES EARNED PROFITS OF \$18 BILLION BEFORE TAXES, AND THEY PAID CORPORATE TAXES OF ONLY 6.5 PER CENT.

EXXON PAYS FEDERAL INCOME TAX AT THE RATE OF 6.5%; TEXACO PAYS A 1.7 PER CENT RATE; AND MOBIL OIL'S RATE IS 1.3 PER CENT.

COMPARE THAT TO THE PERCENT OF AN AVERAGE SALARY THAT THE GOVERNMENT WITHHOLDS FROM PAYCHECKS.

ISN'T THERE SOMETHING IN THAT SITUATION THAT SHOULD BE CORRECTED?

THE OIL COMPANIES ARE NOT VIOLATING ANY LAW. UNDER PRESENT LAW, THEY ARE ALLOWED TO DEDUCT TAXES THEY PAY TO FOREIGN GOVERNMENTS FROM THEIR U. S. INCOME TAXES. YEAR AFTER YEAR, THEY HAVE USED THESE CREDITS TO REDUCE THEIR INCOME TAXES BY AS MUCH AS 75 PER CENT.

SHOULDN'T THAT BE CORRECTED BEFORE WE START PUTTING MORE TAXES ON THE SINGLE FELLOW MAKING \$7,500 OR THE MARRIED COUPLE MAKING \$15,000?

I WANT TO MAKE IT CLEAR THAT I BELIEVE SEVERAL OF THE PRESIDENT'S PROPOSALS ARE SOUND, AND I SUPPORT THEM.

I WAS ESPECIALLY PLEASED TO SEE HIM COME FORWARD WITH SOME RELIEF FOR THE HOMEBUILDING INDUSTRY. THEY HAVE BEEN PARTICULARLY HARD HIT BY THE CREDIT CRUNCH AND SHORTAGES IN BUILDING MATERIALS. I ONLY WISH PRESIDENT FORD HAD GONE FURTHER TO MAKE CREDIT AVAILABLE AND HELP DIRECT MORE PRIVATE CAPITAL INTO MORTGAGE LENDING INSTITUTIONS.

THIS IS NOT THE TIME FOR ELECTED OFFICIALS TO TAKE PARTISAN POSITIONS ON A MATTER AS IMPORTANT AS SOLVING OUR ECONOMIC PROBLEMS. I HAVE TRIED TO WEIGH EVERY PROPOSAL, REGARDLESS OF WHO SUGGESTED IT, ON THE BASIS OF MERIT.

AMERICA IS LOOKING FOR ANSWERS, NOT PARTISANSHIP.
THE PEOPLE WANT SENSIBLE SOLUTIONS, NOT POLITICAL
SOLUTIONS.

THAT IS WHAT I AM LOOKING FOR ALSO. AND THAT
IS WHY I AM RUNNING FOR THE UNITED STATES SENATE.