

SPEECH BY: ROBERT MORGAN
To: Y.D.C. CONVENTION
RALEIGH, NORTH CAROLINA
DATE: OCTOBER 19, 1974

IT'S ALWAYS GOOD TO VISIT WITH DEMOCRATS AND I CAN TRUTHFULLY SAY THAT THE PLEASURE IS GREATER WHEN THE GROUP IS A BUNCH OF YOUNG DEMOCRATS.

YOUR ENTHUSIASM, YOUR WILLINGNESS TO GIVE OF YOUR TIME AND YOUR ENERGY ALWAYS SEEMS TO MAKE ME FEEL BETTER ABOUT THE SITUATION EVERY TIME I AM ASKED TO APPEAR AT ONE OF YOUR MEETINGS.

YOU KNOW, I HAVE BEEN CAMPAIGNING FOR SEVERAL MONTHS NOW, TRAVELING ABOUT THE STATE, TALKING AND LISTENING IN AN EFFORT TO FIND OUT WHAT IS ON PEOPLE'S MIND, AND, MORE IMPORTANTLY, WHAT THEY THINK WE NEED TO DO TO GET THINGS BACK ON THE RIGHT TRACK.

I HAVE FOUND THEY AGREE ON ONE THING. THEY ARE SICK AND TIRED OF POLITICIANS WHO PROMISE MIRACLES, OR EVEN SOLUTIONS THAT THEY CAN'T PRODUCE.

THEY ALL AGREE THIS COUNTRY IS IN TROUBLE ECONOMICALLY.

THEY DON'T HAVE TO HAVE A GALLUP POLL OR A LABOR DEPARTMENT SURVEY TELL THEM INFLATION HAS THEM BY THE THROAT. THEY DO THEIR OWN SURVEY EVERY TIME THEY VISIT THE GROCERY STORE OR THE GAS STATION.

THEY KNOW ABOUT THE RUSSIAN WHEAT RIPOFF THAT WAS ENGINEERED BY SECRETARY OF AGRICULTURE BUTZ AND SOME BIG GRAIN COMPANIES AND THEY SEE THE RESULTS EVERY TIME THEY BUY A LOAF OF BREAD. AND THEY KNOW HOW CLOSE WE JUST CAME TO BEING TAKEN AGAIN.

THEY KNOW THAT WE'RE BEING BLACKMAILED ECONOMICALLY BY THE OIL-PRODUCING COUNTRIES AND THEY SEE IT IN THE 60 CENTS A GALLON GASOLINE THEY PUT IN THEIR CARS.

THEY REMEMBER THAT A REPUBLICAN PRESIDENT SAID IT WAS A "PROBLEM" AND NOT A "CRISIS" JUST A FEW WEEKS BEFORE EVERYBODY ENDED UP IN LONG LINES AT THE GAS PUMPS.

THE PEOPLE KNOW ALL THIS, AND THEY KNOW THEY HAVE BEEN MISLED AND ILL USED.

AND AFTER TALKING TO THOUSANDS OF THEM AND LISTENING TO THOUSANDS OF THEM, I FEEL VERY CONFIDENT ABOUT THE ELECTION IN NOVEMBER.

I'D LIKE TO TALK ABOUT SOME OTHER THINGS THAT ARE HAPPENING, AND I HOPE THAT YOU, AS YOUNG DEMOCRATS, WILL GO BACK AND TELL YOUR PEOPLE ABOUT THEM SO THAT THE VOTERS WILL HAVE A CLEAR PICTURE OF WHAT'S GOING ON IN THIS COUNTRY AND IN THIS STATE.

IF ANYONE THINKS THAT NORTH CAROLINA ISN'T FEELING THE EFFECTS OF THE ECONOMIC MESS WE HAVE ARRIVED AT UNDER A REPUBLICAN ADMINISTRATION, HE ONLY HAS TO LOOK AT WHAT IS HAPPENING TO FIND OUT.

THE PROBLEMS THAT HAVE BEEN CREATED NATIONALLY BY THE CRIPPLING OF THE HOUSING INDUSTRY AND OTHER RELATED MANUFACTURERS ARE NOW GETTING TO NORTH CAROLINIANS.

CONSIDER THAT IN SEPTEMBER, MORE THAN 4,500 EMPLOYEES OF TEXTILE PLANTS WERE LAID OFF.

CONSIDER THAT IN THIS MONTH OF OCTOBER, MORE THAN 4,300 MORE TEXTILE WORKERS WERE TOLD THEY WERE BEING LAID OFF.

CONSIDER THAT DURING THE PAST 45 DAYS, NORTH CAROLINA PLANTS THAT MAKE ELECTRONIC EQUIPMENT LAID OFF OR PHASED OUT THE JOBS OF MORE THAN 1,000 EMPLOYEES.

THAT IS MORE THAN 10,000 WHO HAVE BECOME UNEMPLOYED DURING TWO MONTHS IN JUST TWO INDUSTRIES IN NORTH CAROLINA.

AND OTHER INDUSTRIES ARE HURTING.

THERE HAVE BEEN NO FIGURES ABOUT LAYOFFS IN FURNITURE PLANTS BUT MOST OF THEM ARE NOT WORKING A FULL WEEK.

BROYHILL INDUSTRIES, THE GIANT FURNITURE MANUFACTURER WHICH HAS SUCH CLOSE TIES WITH THE REPUBLICAN ADMINISTRATION IN RALEIGH AND WHICH WIELDS MORE INFLUENCE WITH THE STATE THAN ANY OTHER COMPANY, HAS REDUCED ITS WORK WEEK FROM 48 TO 40 HOURS, WHICH MEANS EMPLOYEES ARE GETTING SMALLER PAYCHECKS.

NOW THESE ARE JUST FACTS.

AND THESE THINGS HAVE HAPPENED AFTER SIX YEARS OF REPUBLICAN RULE IN WASHINGTON AND TWO YEARS OF REPUBLICAN RULE IN RALEIGH.

IS THERE ANY WONDER THAT ALL OF THE NATIONAL POLLS SHOW THAT A VAST MAJORITY OF PEOPLE BELIEVE THAT THE DEMOCRATS CAN BETTER HANDLE THE ECONOMY THAN THE REPUBLICANS.

THEY TELL US WE ARE NOT IN A RECESSION.

MAYBE SOME PEOPLE WILL BELIEVE OUR REPUBLICAN LEADERS WHEN THEY SAY THAT.

BUT THERE ARE AT LEAST 10,000 PEOPLE IN NORTH CAROLINA WHO WOULD DEBATE THAT STATEMENT, AND THEY HAVE PLENTY OF TIME TO DO IT BECAUSE THEY DON'T HAVE ANY JOBS TO GO TO.

I'VE TALKED ABOUT INDUSTRY; AND LET'S LOOK AT WHAT THE REPUBLICANS IN WASHINGTON HAVE DONE FOR NORTH CAROLINA FARMERS.

A NATIONAL COLUMNIST THE OTHER DAY STATED THAT THE CONTINUED PRESENCE OF EARL BUTZ AS UNITED STATES SECRETARY OF AGRICULTURE IS A "FLAMING INSULT" TO EVERY MAN, WOMAN AND CHILD IN THE UNITED STATES.

WELL, I DON'T KNOW ABOUT THE REST OF THE NATION BUT I DO KNOW HOW THE PEOPLE OF NORTH CAROLINA FEEL ABOUT MR. BUTZ AND THE ADMINISTRATION'S FARM PROGRAM. AND IN MY OPINION THAT IS ONE BIG REASON THEY ARE GOING TO VOTE DEMOCRATIC ON NOVEMBER 5.

LAST YEAR EARL BUTZ TRIED HIS BEST TO DESTROY THE FLUE-CURED TOBACCO PROGRAM.

HE FINALLY BACKED DOWN, BUT HE HASN'T GIVEN UP.

NORTH CAROLINA'S COMMISSIONER OF AGRICULTURE JIM GRAHAM, WHO WITHOUT DOUBT IS ONE OF THE GREATEST FRIENDS THE FARMERS OF THIS STATE HAVE EVER HAD, POINTED THIS OUT NOT LONG AGO WHEN HE SAID:

"RECENT SPEECHES BY AGRICULTURE SECRETARY EARL BUTZ... HAVE INDICATED THE DESIRE OF THE ADMINISTRATION IN WASHINGTON TO ELIMINATE THE FLUE-CURED TOBACCO PROGRAM... THIS WAS THREATENED LAST YEAR AND PRESSURE FROM INFLUENTIAL TOBACCO STATE SENATORS, CONGRESSMEN AND TOBACCO INTERESTS SUCCEEDED IN BLOCKING IT."

THESE EFFORTS TO DESTROY THE PROGRAM IN WASHINGTON CAME AT THE SAME TIME THAT NORTH CAROLINIANS, INCLUDING COMMISSIONER GRAHAM, WERE SAYING THAT THE ALLOTMENT PROGRAM WAS WORKING BETTER THAN IT EVER HAD.

SO IT IS OBVIOUS THAT THERE IS GOING TO BE A CONTINUING BATTLE TO KEEP THE TOBACCO PROGRAM ALIVE AND WELL. I'VE PROMISED TO HELP LEAD THAT BATTLE, AND I HOPE YOU'LL TELL THAT TO THE FOLKS AT HOME.

TOBACCO IS NOT THE ONLY FARM PROGRAM UNDER FIRE FROM THE REPUBLICANS.

ONLY A WEEK OR SO AGO, IN ANNOUNCING HIS PLAN TO CURE THE NATION'S ECONOMIC ILLS, PRESIDENT FORD HIMSELF WENT AFTER THE FARMER CALLING FOR AN END TO THE PEANUT, COTTON, AND RICE PROGRAMS. MY OPPONENT IMMEDIATELY ENDORSED THE WHOLE PACKAGE.

NEEDLESS TO SAY, THE PRESIDENT DIDN'T ASK THE FARMERS WHAT THEY THOUGHT ABOUT IT BECAUSE HE KNEW WHAT THEY WOULD SAY. HAD HE ASKED THEM, OR OUR COMMISSIONER OF AGRICULTURE, THEY WOULD HAVE TOLD HIM THAT IT WOULD CREATE ABSOLUTE CHAOS, MAKE IT HARDER FOR FARMERS TO OBTAIN FINANCING FOR PRODUCTION AND DRIVE ANOTHER NAIL INTO THE COFFIN THE WASHINGTON ADMINISTRATION IS TRYING TO MAKE FOR THE SMALL, SOUTHERN FAMILY FARMER.

SO TELL THE FOLKS AT HOME THAT IT'S AS CLEAR AS CLEAR CAN BE THAT THE REPUBLICANS HAVE NO CONCERN FOR THE FARM PROGRAMS SO VITAL TO THE ECONOMY OF THIS STATE. IF THEY COULD GET THE VOTES TOGETHER IN THE CONGRESS THEY WOULD ABOLISH THE TOBACCO PROGRAM, THE PEANUT PROGRAM, THE COTTON PROGRAM AND UNDO THE ENTIRE FEDERAL AGRICULTURAL PROGRAM.

TELL OUR FARM PEOPLE THAT THE STAKES ARE HIGH THIS YEAR AND THAT IT IS MORE IMPORTANT THAN EVER THAT NORTH CAROLINA HAVE A DEMOCRATIC SENATOR IN THE CONGRESS WHO WILL STAND UP AND FIGHT FOR THEM.

IT'S FOR SURE THAT THE REPUBLICANS AREN'T GOING TO TURN A HAND TO HELP NORTH CAROLINA FARMERS WITH THE PRESIDENT HIMSELF NOW LEADING THE FIGHT AGAINST THEM.

I THINK WE OUGHT TO REMEMBER, TOO, THAT AGRICULTURE IS A MAINSTAY OF OUR ECONOMY IN THIS STATE. IN NORTH CAROLINA, IF THE FARMER SUFFERS, EVERYONE SUFFERS---MERCHANTS, PROFESSIONAL PEOPLE, HOMEBUILDERS AND ALL THE REST. SO REMIND OUR FOLKS THAT EVERY NORTH CAROLINIAN HAS AN IMPORTANT STAKE IN PRESERVING OUR FARM PROGRAMS AND KEEPING OUR AGRICULTURAL ECONOMY STRONG.

LET'S TALK ABOUT TAXES FOR A MINUTE. THAT'S SOMETHING EVERYBODY HAS ON THEIR MINDS AND WE OUGHT TO BE ABLE TO TELL THEM WHAT THE ADMINISTRATION IN WASHINGTON IS UP TO.

IT'S REALLY PRETTY SIMPLE WHEN YOU GET RIGHT DOWN TO IT.

THEY ARE FOR PUTTING MORE TAXES ON THE SAME PEOPLE WHO ARE ALREADY PAYING MORE THAN THEIR SHARE -- POOR AND MIDDLE INCOME WAGE EARNERS -- AND GIVING MORE TAX BREAKS TO THE CORPORATIONS. THIS IS WHAT PRESIDENT FORD PROPOSED AND AGAIN MY OPPONENT QUICKLY ENDORSED IT.

I'VE BEEN CALLING FOR TAX FAIRNESS THROUGHOUT THIS WHOLE CAMPAIGN AND I THOUGHT SURELY THAT THE PRESIDENT'S STATEMENT ON OCTOBER 8 WOULD BE A FIRST STEP TOWARD ACHIEVING IT.

I WAS WRONG.

INSTEAD WE GOT A PROPOSAL TO PLACE A SURTAX ON SINGLE PEOPLE WHOSE INCOMES EXCEED \$7,500 AND FAMILIES WITH GROSS INCOME OF \$15,000.

IN MY BOOK, THAT IS NOT TAX FAIRNESS.

WITH THE HIGHER PRICES IN THE GROCERY STORES, THE CLOTHING STORES, AT THE GASOLINE STATIONS AND EVERYWHERE ELSE ANYTHING IS SOLD, I DON'T BELIEVE THAT PEOPLE MAKING THIS KIND OF MONEY CAN AFFORD TO PAY MORE TAXES THAN THEY ARE PAYING NOW.

UNDER THIS PROPOSAL, IT IS PERFECTLY POSSIBLE FOR A PERSON MAKING \$100,000, TAKING ADVANTAGE OF EXISTING LOOPHOLES, NOT ONLY TO PAY NO TAX, BUT ALSO NO SURTAX. BECAUSE IF HIS TAX BILL IS ZERO, THEN FIVE PER CENT OF ZERO IS ZERO.

UNDER THIS PROPOSAL, MR. NIXON, UNDER THE FORMULA HE APPLIED TO HIS TAX RETURN, WOULD HAVE PAID NO TAX IF THE SURTAX HAD BEEN IN EFFECT THEN.

THERE HAVE BEEN SOME WHO SAY THE TAX SHOULD NOT BE APPLIED TO PERSONS MAKING LESS THAN \$25,000, AND I BELIEVE THAT WOULD MAKE IT MORE EQUITABLE AND WOULD AFFECT THOSE MORE ABLE TO PAY.

BUT LET ME TELL YOU SOMETHING: I'M NOT GOING TO SUPPORT ANY SURTAX UNTIL SOME OF THE TAX LOOPHOLES HAVE BEEN CLOSED AND SOME PEOPLE WHO HAVE BEEN PAYING LITTLE OR NOTHING START CARRYING THEIR SHARE OF THE LOAD AND PAYING THEIR OWN WAY.

OVER THE YEARS, THE AMOUNT OF MONEY THAT INDIVIDUALS HAVE PAID IN INCOME TAXES HAS SWELLED AT AN UNDUE RATE, WHILE THE MONEY PAID IN TAXES BY CORPORATIONS HAS DWINDLED BY COMPARISON.

FOR INSTANCE, IN 1954, JUST 20 YEARS AGO, CORPORATIONS PAID 30.3 PER CENT OF THE TOTAL TAX; IN 1970, THEY PAID ONLY 16 PER CENT.

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.

ASK THE PEOPLE YOU SEE EACH DAY TO COMPARE THAT TO THE PERCENT THE GOVERNMENT WITHHOLDS FROM THEIR PAYCHECKS.

THEN, IF YOU WILL, TELL THEM THE DEMOCRATIC PARTY AND YOUR CANDIDATE FOR THE UNITED STATES SENATE IS COMMITTED TO CHANGING THIS AND WORKING FOR TAX FAIRNESS.

I THINK YOU OUGHT TO REALIZE THAT 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?

YOU KNOW, BIG CORPORATIONS HISTORICALLY HAVE DONE WELL UNDER REPUBLICAN NATIONAL ADMINISTRATIONS.

SO IT SHOULDN'T BE SURPRISING THAT IF ONE LOOKS AT THE PRESIDENT'S INFLATION FIGHTING PROGRAM THAT THEY ARE DOING WELL THERE TOO.

UNDER THE PLAN, CORPORATE TAXES WOULD BE CUT BY SOME \$700 MILLION DURING THE FIRST YEAR. IT IS ESTIMATED THAT THE FIVE PER CENT SURTAX WOULD COST CORPORATIONS \$2.1 BILLIONS, BUT INCREASING THE INVESTMENT TAX CREDIT WOULD DECREASE THEIR TAXES BY \$2.7 BILLION, AND ALLOWING THEM TO DEDUCT PREFERRED STOCK DIVIDENDS WOULD SAVE THEM ANOTHER \$100 MILLION.

FURTHERMORE, THE REDUCTIONS GIVEN CORPORATIONS ARE PERMANENT WHILE THE SURTAX IS TEMPORARY, ACCORDING TO THE PRESIDENT.

THE DEMOCRATIC PARTY IS FULLY COMMITTED TO BRINGING INFLATION UNDER CONTROL. EVERY RECENT POLL I HAVE SEEN INDICATES THAT THE VOTERS BELIEVE DEMOCRATS ARE BEST ABLE TO DO JUST THAT. AND WE ARE NOT MERELY BEING PARTISAN IN OPPOSING THE SURTAX.

I SIMPLY AM NOT WILLING TO START FIGHTING INFLATION BY IMPOSING A SURTAX WHICH ADDS TO THE BURDENS OF THOSE WHO ALREADY ARE CONTRIBUTING THE MOST AND HURTING THE WORST.

ELECTION DAY, TUESDAY NOVEMBER 5, IS JUST AROUND THE CORNER.

I CAN SAY IN ALL CANDOR THAT I'M OPTIMISTIC ABOUT A TREMENDOUS DEMOCRATIC VICTORY.

BUT I ALSO KNOW THAT WE HAVE A LOT OF WORK TO DO BETWEEN NOW AND THEN.

WE HAVE TO GET THE WORD TO THE VOTERS ABOUT WHAT THE ADMINISTRATION IN WASHINGTON IS UP TO AND LET THEM KNOW WHERE WE DEMOCRATS STAND AND HOW IMPORTANT IT IS THAT WE SEND DEMOCRATS TO THE CONGRESS.

AND THEN WE MUST MAKE SURE OUR PEOPLE VOTE ON ELECTION DAY.

THIS IS THE TASK BEFORE US. THIS IS THE TASK WHICH YOUNG DEMOCRATS THROUGH THE YEARS HAVE BEEN SO SUCCESSFUL WITH AND EARNED THEIR PLACE IN THE NORTH CAROLINA DEMOCRATIC PARTY STRUCTURE.

THANK YOU FOR YOUR INTEREST AND ENTHUSIASM. THANK YOU FOR YOUR DEDICATION TO THE DEMOCRATIC PARTY AND ITS PRINCIPLES.

AND LET ME PERSONALLY TELL YOU HOW MUCH I APPRECIATE YOUR HARD WORK ON BEHALF OF MY CANDIDACY FOR THE UNITED STATES SENATE. WE ARE GOING TO WIN AND WIN BIG ON NOVEMBER 5.