

REMARKS OF CONGRESSMAN BOB DOLE

- OUR OBSOLETE WELFARE STATE -

I WOULD LIKE TO DISCUSS A SUBJECT THAT IS OF GROWING SIGNIFICANCE IN THE WAKE OF THIS PAST SUMMER'S VIOLENCE IN OUR CITIES -- THE SUBJECT OF "OUR OBSOLETE WELFARE STATE."

AN IRONIC AND BAFFLING ASPECT OF THE RECENT RIOTS IS THAT MANY OF THE CITIES HARDEST HIT HAD THE MOST ACTIVE ANTI-POVERTY PROGRAMS. THEY HAD RECEIVED LARGER-THAN-AVERAGE SHARES OF THE BILLIONS OF DOLLARS DISPENSED EACH YEAR BY THE FEDERAL GOVERNMENT TO AID THE UNDERPRIVILEGED:

- . DETROIT HAS BEEN ALLOTTED \$100 MILLION IN FEDERAL FUNDS FOR URBAN RENEWAL SINCE 1960, AND ^{WAS} ~~IS~~ SPENDING \$30 MILLION ^{LAST} ~~THIS~~ YEAR ALONE ON ITS POVERTY PROGRAMS.
- . NEWARK HAS RECEIVED MORE THAN \$25 MILLION IN FEDERAL ANTI-POVERTY FUNDS IN THE PAST THREE YEARS, AND IS SPENDING ABOUT A HALF MILLION DOLLARS A MONTH ON WELFARE PROGRAMS.
- . NEW HAVEN HAS BEEN GRANTED FEDERAL URBAN-RENEWAL FUNDS AMOUNTING TO ABOUT \$800 FOR EVERY MAN, WOMAN AND CHILD -- A FIGURE ALMOST TWENTY TIMES GREATER THAN NEW YORK CITY'S.

HOW DID IT HAPPEN, THEN, THAT SOME OF THE WORST RIOTS OCCURRED IN CITIES WHERE THE MOST MONEY HAD BEEN SPENT?

"BECAUSE", REPLY SOME THEORISTS, "NOT ENOUGH MONEY WAS SPENT."

THEY SEEM TO BE SAYING THAT IF HUGE DOSES OF A MEDICINE FAIL, WE SHOULD TRY MORE OF THE SAME AND MAYBE THE PATIENT WILL EVENTUALLY RECOVER.

CONSIDERING THE HISTORY OF OUR WELFARE STATE, THOUGH, ONE IS INCLINED TO DOUBT THAT IT WOULD BE WISE TO COUNT ON STIMULATING THE LAGGING HEART-BEAT OF OUR CITIES WITH STILL FURTHER MASSIVE TRANSFUSIONS OF FEDERAL MONEY. I STRONGLY FEEL THAT MONEY ALONE IS NOT THE ANSWER.

TO HELP THE POOR AT HOME, AMERICANS ARE NOW PUTTING UP \$15 BILLION A YEAR IN FEDERAL TAXES. TO HELP THE POORER NATIONS OF THE WORLD, THEY ARE PUTTING UP ANOTHER \$5 BILLION. AND THIS, OF COURSE, IS WHOLLY APART FROM THE MONEY SPENT ON WAGING THE WAR IN VIETNAM AND MAINTAINING U.S. TROOPS IN EUROPE AND ELSEWHERE. THE NET RESULT IS THAT THIS FISCAL YEAR WE FACE A BUDGET DEFICIT APPROACHING \$30 BILLION -- A DEFICIT UNPRECEDENTED EXCEPT FOR THE YEARS OF WORLD WAR II.

- NOT EVERYTHING AT ONCE -

EVEN AS PROSPEROUS A NATION AS OURS CANNOT DO EVERYTHING AT ONCE. WE MUST INEVITABLY MAKE CHOICES. THE RIOTS THIS PAST SUMMER UNDERSCORED THE FACT THAT A REAPPRAISAL OF NATIONAL PRIORITIES IS LONG OVERDUE. OUR WELFARE STATE, BASED LARGELY ON THE PRIORITIES OF THIRTY YEARS AGO, IS HOPELESSLY OBSOLETE. WE NEED NEW, IMAGINATIVE, RESULT-ORIENTED APPROACHES TO WELFARE -- APPROACHES DESIGNED TO TAKE FULL ADVANTAGE OF THE STRENGTHS OF PRIVATE BUSINESS AND TO GIVE EVERY INDIVIDUAL A STAKE IN OUR SOCIETY. THE EMINENT NEGRO PSYCHOLOGIST, DR. KENNETH CLARK, EXPRESSED IT WELL WHEN HE SAID: "PEOPLE WHO HAVE SOMETHING TO LOSE DON'T RIOT."

LET'S LOOK FOR A MOMENT AT SOME OF THE CHANGES THAT HAVE TAKEN PLACE SINCE THE WELFARE STATE'S PRIORITIES WERE FIRST ESTABLISHED. NONE IS MORE SIGNIFICANT THAN THE ENORMOUS UPWARD SHIFT IN FAMILY INCOME. THIRTY YEARS AGO, SCARCELY 20 PER CENT OF U.S. FAMILIES HAD ANNUAL INCOMES OF \$6,000 OR MORE. TEN YEARS AGO, THIS FIGURE HAD RISEN TO 40 PER CENT. TODAY, WELL

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OVER HALF OUR FAMILIES ARE ABOVE \$6,000 AND BY 1975 MORE THAN TWO-THIRDS WILL BE IN THIS CATEGORY.

YET MANY GOVERNMENT PROGRAMS ARE STILL GEARED TO AN EARLIER ERA WHEN INCOMES WERE LOWER AND NEEDS WERE GREATLY DIFFERENT. PUBLIC FUNDS ARE BEING USED TO SUBSIDIZE PRIVATE ENDEAVORS WHERE THE MAJORITY OF PARTICIPANTS NOW HAVE AVERAGE OR ABOVE-AVERAGE INCOMES. FOR EXAMPLE, ^{Many} URBAN RENEWAL PROGRAMS HAVE CHIEFLY AIDED AMERICANS IN THE MIDDLE-INCOME RANGES.

FARM PROGRAMS ARE PRESENTLY DESIGNED SO THAT THE MORE SUCCESSFUL A FARMER BECOMES, THE MORE HE WILL RECEIVE FROM THE GOVERNMENT. OVER THE YEARS, THE AGRICULTURE DEPARTMENT HAS INCREASED ITS COSTS, ITS PERSONNEL, AND ITS SERVICES -- BUT IT HAS DONE LITTLE ABOUT TRYING PROGRESSIVELY TO REDUCE CONTROLS OR PROMOTE THE KIND OF FREER COMPETITION THAT WOULD BE MOST BENEFICIAL TO THE FARMER HIMSELF, THE CONSUMER, AND THE NATION AT LARGE.

REGRETTABLY, VERY LITTLE THOUGHT HAS BEEN GIVEN TO WHETHER ALL EXISTING FEDERAL PROGRAMS MIGHT BE MODIFIED, REDUCED, OR ELIMINATED TO MAKE WAY FOR NEW ONES THAT RATE HIGHER TODAY ON THE NATIONAL PRIORITY SCALE. IT HAS BEEN WELL SAID THAT IF A MONUMENT WERE ERECTED IN WASHINGTON TO EVERY GOVERNMENT PROGRAM THAT HAS BEEN DISCONTINUED IN THE PAST THREE DECADES, THE LANDSCAPE OF THE NATION'S CAPITAL WOULD NOT BE PERCEPTIBLY ALTERED!

THIS PHENOMENON MOVED THE WASHINGTON POST TO COMMENT RECENTLY THAT "OBSOLETE FEDERAL PROGRAMS, LIKE OLD SOLDIERS, NEVER SEEM TO DIE."

- REVIEWS NEEDED -

YET THE SIGNIFICANT ECONOMIES IN GOVERNMENT ARE LIKELY TO COME, NOT FROM TURNING OFF THE LIGHTS IN THE EAST ROOM, BUT FROM INTELLIGENT REVIEW OF GOALS AND THE PROGRAMS DESIGNED TO MEET THEM. THIS IS ESSENCE OF THE "PROGRAMMING-PLANNING-BUDGETING" SYSTEM WHICH IS FREQUENTLY TALKED ABOUT IN WASHINGTON

THESE DAYS AND WHICH MANY PRIVATE CORPORATIONS HAVE BEEN FOLLOWING FOR SOME TIME. SURELY NO AREA IS MORE URGENTLY IN NEED OF REVIEW THAN PUBLIC WELFARE.

TO THE AUTHORS OF OUR CONSTITUTION WHO DESIGNED THE MATRIX OF DEMOCRACY, PROMOTING THE "GENERAL WELFARE" WAS AN INSPIRING IDEAL. TODAY, "WELFARE" HAS BECOME A DIRTY WORD. THE AVERAGE CITIZEN NEVER EXPECTS TO RELY ON WELFARE AND DOES NOT HAVE MUCH RESPECT FOR THOSE WHO DO. THE SPRAWLING FEDERAL WELFARE EMPIRE AND THE LAYERS OF LOCAL AND STATE RELIEF OPERATIONS ARE REGARDED AS THE "ENEMY" BY MANY OF THE VERY PEOPLE THEY HAVE BEEN TRYING TO HELP. WELFARE RECIPIENTS HAVE ORGANIZED INTO UNIONS TO PRESS THEIR "RIGHTS", AND HAVE EVEN STAGED PROTEST DEMONSTRATIONS AGAINST THE SYSTEM.

MANY OF THE PROGRAMS, TECHNIQUES, AND THEORIES OF OUR PRESENT APPROACH TO WELFARE HAVE TURNED OUT TO HAVE EXACTLY THE OPPOSITE EFFECT FROM WHAT WAS INTENDED. THIS HAS OFTEN BEEN THE CASE WITH THE ATTEMPT TO ABOLISH POVERTY THROUGH BUILDING NEW APARTMENT HOUSES FOR THE POOR. UNFORTUNATELY, IT HAS PROVED MUCH EASIER TO REHABILITATE HOUSING THAN TO CHANGE PEOPLE. NEW HIGH-RISE APARTMENT DEVELOPMENTS MAY GO UP IN AN AREA, YET, AFTER SEVERAL YEARS, THE NEIGHBORHOOD WILL HAVE REVERTED TO THE OLD SLUM CONDITIONS.

WHAT HAS HAPPENED IS THAT WE HAVE TRIED TO ENCLOSE THE PROBLEM OF THE POOR IN BRICK AND STEEL, RATHER THAN WORKING FROM THE INSIDE OUT AND CONCERNING OURSELVES PRIMARILY WITH THE NATURE AND GOALS OF THE INDIVIDUAL. ADMISSION TO LOW-RENT HOUSING PROJECTS HAS BEEN DETERMINED BY INCOME -- THE LOWEST INCOME. AS A RESULT, FAMILIES WITH THE GREATEST POTENTIAL FOR FIGHTING THEIR WAY CLEAR OF POVERTY HAVE BEEN DENIED ENTRANCE TO THE NEW APARTMENTS. WITH THEIR HOMES TORN DOWN, THEY HAVE BEEN FORCED TO LIVE ELSEWHERE. THE NEIGHBORHOOD THUS LEVELS OUT ECONOMICALLY AT ITS LOWEST COMMON DENOMINATOR AND BECOMES A PERMANENT SLUM.

- THE INDIVIDUAL -

THE SAME LACK OF CONSIDERATION FOR THE INDIVIDUAL EXISTS AT MANY LEVELS OF OUR PRESENT WELFARE SYSTEM. FAMILY PATTERNS AMONG THE POOR HAVE BEEN CRUMBLING AS A RESULT OF THE RULE THAT ONLY FATHERLESS FAMILIES CAN QUALIFY FOR THE AID TO DEPENDENT CHILDREN PROGRAM. THE PROGRAM THUS HAS ENCOURAGED FATHERS TO LEAVE HOME BECAUSE THE GOVERNMENT WILL PAY A FATHERLESS FAMILY MORE MONEY THAN THE FATHERS COULD EARN AT THEIR UNSKILLED JOBS.

IN NEW YORK CITY, MORE THAN THREE-FOURTHS OF THE 700,000 PEOPLE ON WELFARE ARE MOTHERS AND THEIR DEPENDENT CHILDREN. A PATTERN OF COMMUNITY-SUPPORTED ILLEGITIMACY HAS RESULTED FROM A SITUATION IN WHICH FATHERS HAVE FOUND IT ECONOMICALLY BENEFICIAL TO DESERT THEIR FAMILIES. THREE OUT OF FOUR CHILDREN BORN ONTO THE RELIEF ROLLS ARE ILLEGITIMATE. LAST YEAR IN NEW YORK, 63 UNWED MOTHERS HAD THEIR TENTH, ELEVENTH, OR TWELFTH CHILD ON RELIEF.

OUR PRESENT IMPERSONAL MASS APPROACH TO WELFARE FAILS TO TAKE INTO ACCOUNT THE POTENTIAL AMBITION AND ECONOMIC VIGOR OF THE AVERAGE INDIVIDUAL. INSTEAD, IT "WRITES OFF" THE INDIVIDUAL AS BEING INDOLENT, INCOMPETENT, OR UNWORTHY OF DEVELOPMENT.

PERSONALLY, I BELIEVE WE CANNOT AFFORD TO WRITE OFF ANYBODY. I AM DEEPLY CONVINCED THAT IF WE ARE TO MAKE SIGNIFICANT STRIDES IN THE WAR ON POVERTY, WE MUST GEAR OUR EFFORTS TO REALIZE THE GREAT POTENTIAL OF THE INDIVIDUAL. WE MUST CONCENTRATE ON THE DEVELOPMENT OF HIS FULLEST CAPABILITIES AS AN INDEPENDENT BEING, RATHER THAN A WARD OF THE FEDERAL GOVERNMENT. ABOVE ALL, WE MUST EMPHASIZE PRIVATE PARTICIPATION, AS OPPOSED TO TOTAL GOVERNMENT PARTICIPATION, WITH PRIVATE ENTITIES SUCH AS THE BUSINESS COMMUNITY SHOULDERING THE MAJOR BURDEN OF HELPING INDIVIDUALS TO HELP THEMSELVES.

- INCENTIVE WELFARE -

THE APPROACH MIGHT BE CALLED "INCENTIVE WELFARE, " AND INVOLVES THREE PRIMARY ELEMENTS: MOTIVATION, TRAINING, AND JOB OPPORTUNITY.

THE "INCENTIVE" APPROACH TO WELFARE PUTS GREAT STOCK IN THOSE OLD-FASHIONED -- BUT TODAY LARGELY NEGLECTED -- IDEAS OF INDIVIDUAL RESPONSIBILITY, PERSONAL CHARACTER, AND THE BELIEF THAT EVERY MAN IS, IN FACT, HIS "BROTHER'S KEEPER." THIS BASIC PHILOSOPHY IS WELL EXPRESSED, IN FORMER PRESIDENT EISENHOWER'S DESCRIPTION OF HOW HE AND HIS BROTHERS WORKED THEIR WAY OFF A KANSAS FARM TO CAREERS OF ACHIEVEMENT.

THE FORMER CHIEF EXECUTIVE WRITES IN HIS NEW BOOK, "AT EASE":

"ALL THE YOUNGER BROTHERS SENT EDGAR FUNDS ON OCCASION, BUT HE WORKED AT THE UNIVERSITY OF MICHIGAN AND ESSENTIALLY FINANCED HIS OWN EDUCATION. MY APPOINTMENT TO WEST POINT ASSURED AN EDUCATION FOR ME WITH NO DRAIN ON HOUSEHOLD FINANCES. ED, REMEMBERING THE HELP HE RECEIVED, FINANCED EARL'S EDUCATION AT THE UNIVSERITY OF WASHINGTON. MILTON, BY WRITING FOR MAGAZINES, CORRECTING ENGLISH PAPERS, AND PLAYING IN A DANCE BAND, WAS ABLE TO PAY HIS COSTS AT KANSAS STATE UNIVERSITY ... THIS WILLINGNESS OF BROTHERS TO AID EACH OTHER WAS ONE CONSEQUENCE OF THE GUIDANCE WE RECEIVED AS YOUNGSTERS."

MOST OF THOSE TRAPPED IN OUR CITY SLUMS LACK THE ELEMENTS THAT WERE PRESENT IN THE EISENHOWER SUCCESS EQUATION AS WELL AS THE VITAL, FAMILY STABILITY THAT PROVIDED THE FOUNDATION FOR THEIR SUCCESS. HOWEVER, THE FACT THAT THESE THINGS ARE LACKING DOES NOT MEAN THEY CANNOT BE SUPPLIED. IT DOES NOT MEAN THAT THOSE IN THE PRIVATE SECTOR CANNOT DO SOMETHING, WELL BEYOND WHAT THE BUREAUCRATIC STATE HAS BEEN ABLE TO ACCOMPLISH, TOWARD FILLING OUT THIS FORMULA FOR IMPROVING THE LOT OF OUR UNDERPRIVILEGED GROUPS.

- MOTIVATION -

AS I SEE IT, MOTIVATION IS THE INDISPENSABLE FIRST STEP.

NOT LONG AGO, A EUROPEAN NEWSPAPER CORRESPONDENT, INTERVIEWING RESIDENTS OF A CHICAGO SLUM, ASKED ONE TEEN-AGE GIRL WHAT SHE WANTED TO DO WHEN SHE GREW UP..

"TO DRAW," SHE REPLIED.

THE NEWSMAN, PLEASANTLY SURPRISED TO FIND ARTISTIC INTERESTS IN SUCH UNLIKELY SURROUNDINGS, PURSUED HIS INQUIRY: "WHAT KIND OF PICTURES DO YOU LIKE TO DRAW?"

"NOT PICTURES," REPLIED THE GIRL. "DRAWING WELFARE LIKE MOTHER DOES."

TO BREAK THIS MOLD OF CHRONIC DEPENDENCY, PRIVATE BUSINESS MUST REACH OUT IMAGINATIVELY TO THE INEXPERIENCED TEEN-AGER AND THE UNEMPLOYED ADULT, AND PERSUADE THEM THAT IT CAN OFFER A PATH TO A BETTER LIFE. IT MUST GIVE THEM AN INCENTIVE TO LEAVE THE "SECURITY" OF THEIR ISOLATED BUT FAMILIAR NEIGHBORHOOD FOR THE GAINS THAT WILL FOLLOW UPON FITTING THEMSELVES INTO SOCIETY AT LARGE.

THIS MAY MEAN SETTING UP MOBILE EMPLOYMENT OFFICES WITHIN WALKING DISTANCES OF DISADVANTAGED AREAS. IT MAY MEAN PROVIDING EXTENSIVE COUNSELING SERVICES TO EASE THE DIFFICULTIES OF ENTERING THE WORKING WORLD. WHATEVER IT MEANS, BUSINESS MUST BE WILLING TO MAKE CONTACT WITH MEMBERS OF MINORITY GROUPS AND ENCOURAGE THEM TO ACQUIRE MARKETABLE SKILLS.

- TRAINING ** JOB OPPORTUNITY -

THIS IS THE SECOND STEP IN "INCENTIVE WELFARE" -- EDUCATION AND TRAINING. AND IT IS INEXTRICABLY LINKED UP WITH THE THIRD -- JOB OPPORTUNITY. WE HAVE TO LOOK UPON TRAINING AND JOBS AS TWO ASPECTS OF THE SAME PROBLEM.

THE THING GHETTO PEOPLE WANT MOST IS A JOB.

MAYOR LINDSAY FOUND THIS IN HARLEM. MAYOR YORTY FOUND IT IN WATTS. MAYOR CAVANAUGH FOUND IT IN DETROIT.

AND THERE ARE JOBS GOING BEGGING TODAY.

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OF THE 10,000 JOB OPENINGS LISTED EACH MONTH BY THE NEW YORK STATE LABOR DEPARTMENT, SIX OUT OF TEN GO UNFILLED.

ACROSS THE NATION, THERE ARE MORE THAN ONE MILLION JOB OPENINGS -- AT THE VERY TIME WHEN ALMOST THREE MILLION PEOPLE ARE UNEMPLOYED.

THIS HIGHLIGHTS OUR PREDICAMENT: NO SKILLS FOR AVAILABLE JOBS, AND NO JOBS FOR AVAILABLE SKILLS.

TO QUALIFY FOR EXISTING JOBS AND THOSE THAT WILL BECOME AVAILABLE IN THE FUTURE, THE UNEMPLOYED NEED TRAINING. THE ANSWER DOES NOT LIE WITH THE NATION'S PUBLIC SCHOOLS ALTHOUGH THEIR IMPROVEMENT IS GREATLY NEEDED.

- ROLE OF BUSINESS -

THE ANSWER, IN MY JUDGEMENT, LIES WITH BUSINESS AND INDUSTRY.

THIS AREA OF TRAINING IS ONE WHERE BUSINESS IS UNIQUELY EQUIPPED TO MAKE AN EFFECTIVE CONTRIBUTION. MORE THAN THAT, IT IS ONE WHERE BUSINESS CANNOT AFFORD NOT TO CONTRIBUTE. FOR BEYOND THE SOCIAL NEEDS SO OBVIOUS IN TODAY'S ATMOSPHERE OF TENSION ARE THE ECONOMIC IMPERATIVES OF PROVIDING A CONTINUOUS AND GROWING SUPPLY OF TRAINED MANPOWER AND WOMANPOWER TO MEET THE REQUIREMENTS OF THE FUTURE.

BUSINESS IS ALREADY DOING A GREAT DEAL. IN PHILADELPHIA, SOME 600 COMPANIES ARE WORKING WITH THE REVEREND LEON SULLIVAN'S OPPORTUNITIES INDUSTRIALIZATION CENTER WHICH, IN THE PAST THREE YEARS, HAS TRAINED MORE THAN 3,500 DISADVANTAGED YOUNG MEN AND WOMEN FOR RESPONSIBLE JOBS. IN ST. LOUIS, THE MCDONNELL DOUGLAS CORPORATION HAS DEMONSTRATED THAT IN JUST FOUR MONTHS, PEOPLE WITH NO HIGH SCHOOL DIPLOMA OR SPECIAL SKILLS CAN BE PREPARED FOR WORK IN A PRODUCTION SYSTEM THAT DEMANDS HIGH ACCURACY AND PRECISE WORKMANSHIP. ■

ONE NEW YORK BANK ~~WELL~~ ^{HAS} WELL OVER FIFTY SEPARATE TRAINING PROGRAMS, INCLUDING ONE FOR HIGH SCHOOL STUDENTS FROM HIGH "DROPOUT" AREAS WHICH PROVIDES PART-TIME JOBS AS LONG AS THEY CONTINUE THEIR STUDIES AND THEN PERMANENT EMPLOYMENT IF THEY MAKE THE GRADE.

EFFECTIVE AS THESE INDIVIDUAL PROGRAMS ARE, I BELIEVE THAT THE ULTIMATE PROMISE OF VOCATIONAL TRAINING CAN BE REALIZED ONLY FROM AN OVERALL APPROACH. GROUPS OF BUSINESSMEN IN NEW YORK AND CHICAGO, DES MOINES AND IN KANSAS, AND ELSEWHERE SHOULD COMBINE THEIR RESOURCES AND TAKE THE INITIATIVE IN CITYWIDE COOPERATIVE VENTURES IN BASIC EDUCATION.

IN ITS INITIAL STAGE, SUCH A PROGRAM WOULD AIM AT BRINGING JOB APPLICANTS UP TO REQUIRED LEVELS OF "EMPLOYABILITY" BY IMPROVING THEIR READING, SPELLING, AND CALCULATING SKILLS AND THEIR WORK HABITS.

IN ITS NEXT STAGE, THIS PROGRAM WOULD PROVIDE EVEN MORE ON-THE-JOB TRAINING THAN IS BEING DONE NOW SO THAT ALL WORKERS WOULD HAVE GREATER OPPORTUNITY TO ADVANCE TO HIGHER POSITIONS.

FINALLY, THIS PROGRAM WOULD INCLUDE A CONTINUING RESEARCH EFFORT TO DEVISE MEANS OF USING MORE EFFECTIVELY IN VOCATIONAL TRAINING THE PROGRAMMED LEARNING TECHNIQUES, TEACHING MACHINES AND AUDIO-VISUAL AIDS THAT ARE BEING DEVELOPED MAINLY FOR ELEMENTARY AND SECONDARY SCHOOLS.

SUCH A BLUEPRINT, RESPONSIBLY AND CREATIVELY CARRIED OUT, WOULD HAVE THE GREAT ADVANTAGE OF LINKING THE VARIED ELEMENTS OF VOCATIONAL TRAINING IN A PLANNED PROGRAM OF GROWTH.

TRAINING IS AN ESSENTIAL PART OF ANY JOB-CREATION PROGRAM, BUT IT IS FUTILE IF THERE ARE NO JOBS AT THE END OF THE LINE. AND IN EACH OF THE NEXT TEN YEARS, WE MUST FIND JOBS FOR SOME 1-1/2 MILLION PERSONS WHO WILL ENTER THE LABOR FORCE -- AN INCREASE OF 50 PER CENT IN THE RATE OVER THE PAST DECADE. HOW THESE JOBS MUST BE CREATED IS NO SECRET. UNDER OUR FREE-OPPORTUNITY SYSTEM, JOBS COME INTO BEING BECAUSE SOMEBODY SEES AN OPPORTUNITY TO EARN A PROFIT AND IS WILLING TO MAKE A CAPITAL INVESTMENT. THEY ARE NOT FREE. THEY COST BETWEEN \$15,000 AND \$20,000 APIECE IN CAPITAL INVESTMENT.

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- MORE JOBS -

OUR ABILITY TO PROVIDE MORE JOBS IN THE YEARS AHEAD WILL DEPEND DECISIVELY ON OUR CAPACITY AS A NATION TO FORM CAPITAL -- BOTH HUMAN AND MATERIAL CAPITAL. ANY SOCIETY CAN ADD TO ITS STOCK OF CAPITAL ONLY THROUGH SAVINGS. THUS, TO SATISFY THE MOUNTING DEMAND FOR JOBS, WE MUST PROVIDE ADEQUATE INCENTIVES TO SAVERS AND SEE TO IT THAT THE GOVERNMENT DOES NOT DRAIN OFF SAVINGS IN THE FORM OF WASTEFUL FEDERAL SPENDING AND TAXES SO HIGH THEY SMOTHER INCENTIVE.

- "THE SIXTIES" -

THE TRENDS IN THIS DECADE OF THE SIXTIES ARE ILLUMINATING. WHILE THE POPULATION OF THE UNITED STATES HAS GROWN 10%, THE FEDERAL CIVILIAN BUREAUCRACY HAS INCREASED 25%, OVERALL FEDERAL SPENDING 83%, AND NON-DEFENSE EXPENDITURES ALMOST 100%.

AMONG THESE NON-DEFENSE ITEMS ARE SEVERAL THAT CERTAINLY DON'T STRIKE THE LAYMAN AS ESSENTIAL. FOR EXAMPLE, I AM THINKING ABOUT THE USE OF FEDERAL GRANTS TO BEAUTIFY BERKELEY, CALIFORNIA WITH A MUNICIPAL PUTTING GREEN AND TO CONSTRUCT A TWO-ACRE LAGOON AT EL CENTRO, CALIFORNIA. I AM THINKING ABOUT TAX FUNDS APPROPRIATED IN THE NAME OF POOR CHILDREN IN SUCH HIGH-INCOME COMMUNITIES AS GROSSE POINT, MICHIGAN AND BEVERLY HILLS, CALIFORNIA.

IT SEEMS TO ME THAT UNLESS WE BRING GOVERNMENT EXPENDITURES UNDER CONTROL THROUGH AN INTELLIGENT ORDERING OF NATIONAL PRIORITIES, WE FACE A CONTINUING BUDGET CRISIS WITH PERIODIC TAX INCREASES AND PERSISTENT INFLATION. WE CANNOT SOLVE OUR FISCAL PROBLEMS BY PREACHING ECONOMY AND PRACTICING EXTRAVAGANCE. INSTEAD OF TRYING TO PROD CONGRESS INTO ACTION ON RAISING TAXES AND CONTINUING HEAVY SPENDING, THE ADMINISTRATION SHOULD BE PROPOSING NEW FORMULAS FOR REDUCING NON-ESSENTIAL EXPENDITURES THAT WILL BRING THE BUDGET -- AND THE ECONOMY -- UNDER SOME SEMBLANCE OF CONTROL.

- REDUCTIONS AND POSTPONEMENTS -

THERE ARE MANY AREAS WHERE REDUCTIONS AND POSTPONEMENTS COULD BE MADE. MEDICAL RESEARCH, A RECENT INVESTIGATION DISCLOSED, IS WASTING A VAST AMOUNT AND AS A RESULT IS AN ESPECIALLY INVITING TARGET FOR A CUTBACK. SO IS THE SPACE PROGRAM WITH ITS EXPENDITURES OF OVER \$5 BILLION. SO, TOO, IS THE BROAD RANGE OF GOVERNMENT SUBSIDIES, BOTH DIRECT AND INDIRECT. AT A TIME WHEN THE NATION IS SO HEAVILY COMMITTED ABROAD AND AT HOME, THERE IS NO CONCEIVABLE JUSTIFICATION FOR THE KIND OF WASTEFUL SPENDING ASSOCIATED WITH THE BUSINESS-AS-USUAL APPROACH. YET, ALL TOO OFTEN, THIS IS WHAT WE GET FROM OUR OBSOLETE WELFARE STATE, DEDICATED AS IT IS TO THE PROPOSITION THAT THE NATION, PARTICULARLY THE CITIES, CAN BE RUN FROM WASHINGTON IF CONGRESS WILL ONLY AUTHORIZE BIGGER AND BIGGER APPROPRIATIONS.

PERHAPS THE DISADVANTAGED OF A HALF CENTURY AGO WERE MORE FORTUNATE THAN THOSE OF TODAY. THEY DID NOT HAVE ANY BUREAUCRATS TELLING THEM THAT THE GOVERNMENT WAS GOING TO TAKE CARE OF ALL THEIR NEEDS. THEY REALIZED THEY HAD TO MAKE IT PRETTY MUCH ON THEIR OWN, SO THEY DID THE BEST THEY COULD AND THINGS SEEMS TO WORK OUT ALL RIGHT.

- LACK OF INDIVIDUAL INCENTIVE -

THERE IS MORE THAN A CASUAL CONNECTION, I SUSPECT, BETWEEN THE LACK OF INDIVIDUAL INCENTIVE CHARACTERISTIC OF OUR PRESENT WELFARE APPROACH AND THE TOTTERING SUPERSTRUCTURE OF OUR WELFARE SYSTEM. THE RELATIONSHIP UNDERSCORES ONE OF THE FUNDAMENTAL QUESTIONS OF OUR TIME: WHETHER THE INDIVIDUAL WILL BE ABLE TO MAINTAIN HIS IDENTITY AND PURPOSE IN AN AGE WHICH, THROUGH RAPID TECHNOLOGICAL PROGRESS, HAS CREATED AWESOMELY LARGE AND IMPERSONAL INSTITUTIONS IN ALL AREAS OF SOCIETY?

IT IS ESSENTIAL TO OUR WAY OF LIFE THAT THE INDIVIDUAL NOT ONLY SURVIVE BUT STRENGTHEN HIS CONTROL OVER HIS OWN DESTINY. EVEN AS TECHNOLOGY HAS SEEMED AT TIMES TO OVERWHELM HIM, IT IS ALSO OFFERING OPPORTUNITIES FOR HUMAN PROGRESS ECLIPSING THOSE OF ANY OTHER TIME. AT THE SAME TIME, IT HAS RAISED THE LEVEL OF PERSONAL ASPIRATIONS -- AND THIS IS NO LESS IMPORTANT.

FOR THE STRENGTH OF A NATION IS A COMPOUND OF THE ASPIRATIONS, ABILITIES, ENERGIES, AND CHARACTER OF ITS PEOPLE. ANY PROGRAM OF FOREIGN OR DOMESTIC ECONOMIC AID, OR REHABILITATION, OR STIMULATION OR WHATEVER ONE CHOOSES TO CALL IT, THAT DOES NOT TAKE THIS INTO ACCOUNT MUST BE CONSIDERED OBSOLETE. IT CANNOT HELP BUT PROVE MORE OF A BURDEN THAN A BENEFIT TO THE PEOPLE IT IS INTENDED TO SERVE.

THAT'S WHY I SUGGEST THAT THE "INCENTIVE WELFARE" APPROACH -- CONCENTRATING ON MOTIVATION, TRAINING AND JOBS -- OFFERS OUR BEST HOPE FOR HELPING PEOPLE TO REALIZE THEIR OPPORTUNITIES MORE VIVIDLY AND TO PURSUE THEM MORE CONSCIOUSLY. THROUGH THIS APPROACH, I BELIEVE WE CAN DEAL MORE EFFECTIVELY WITH THE PROBLEMS OF OUR CITIES. FOR THE SAKE OF OUR NATION, I AM CONVINCED THAT WE MUST DO SO.