

Mr. Chairman, distinguished guests, ladies and gentleman. I could get off to a very bad start here because you've all been so kind and I've enjoyed such hospitality here, breaking bread with you. I was even allowed a second glass of water. I do think, however, that you went a too little far in welcoming me by starting an anti-smog campaign, I don't need that to feel at home.

You know with all of the people here that are so much better qualified to speak on any subject than I am, it becomes imperative to me, doubly important, that I should find exactly the right words to say. This perhaps wouldn't be as important to other people as it would to an actor. I keep thinking of a young fellow in our business who aspired to an operatic career. He studied several years in Milan, Italy, and then was awarded that highest recognition or honor that could come to any opera singer he was invited to sing at La Scala, the very spiritual fountainhead of opera. They were singing Pagliacci and when he finished singing the very beautiful aria, Vesti la Giubba, the applause from the balconies and the galleries and the orchestra seats was so thunderous and so sustained that the opera couldn't continue until he stepped back center stage and repeated the aria as an encore. And again the same sustained, thunderous applause and again he sang Vesti la Giubba. This went on until finally he motioned for quiet and he tried to tell them how full his heart was he said, "I have sung Vesti la Giubba now nine times. My voice is gone I cannot do it again." And a voice from the balcony said, "You'll do it, until you get it right."

[laughter]

You know, I speak in jest, but it must seem presumptuous to many of you, it would be strange if it didn't, that a member of my profession and my industry should attempt to speak to you on the serious subjects that face the people of the world today. We are not unaware in Hollywood what most of our fellow citizens think of us. It is true that our stock in trade is tinsel and colored lights and make-believe. And it's equally true that some of this same make believe has colored our methods of doing business; colored our private lives.

But a few years ago, a funny thing happened to us on the way to the theater. For the first time, we ran into ugly reality face-to-face. While we were blissfully going along in our make believe world, on direct orders of the International Communist party, hardcore professional party organizers had infiltrated our industry, had worked quietly to create cells in some of our guilds and unions and communist front organizations which had deceived many of our people into supporting their apparently worthwhile causes. The aim of this communist infiltration was to subvert our screens to the dissemination of communist propaganda only after they had gained economic control of our industry. Now whether you agree with our boy-meets-girl plot in some of our motion pictures, in the finest traditions of private enterprise, in a single generation the motion picture industry of Hollywood has captured 70% of the playing time of all the screens of the world. And all over the world, people have looked beyond our plots and they've seen American freedom, they've seen the way we dress, the things we do, the streets filled with automobiles, the shop windows with the things we could buy, the food on our tables. The communists, more than a decade ago, about 12 or 13 years ago, decided to shortcut this gradual encroaching program and they took advantage of a jurisdictional dispute between two unions. And then overnight, we saw violence in our streets, mass pickets outside our studio gates, most of them provided by Harry Bridges' maritime union. We saw homes bombed, automobiles overturned, threats of acid in the face of our performers. The immediate goal was to close the motion picture industry and get us so discouraged with our own guilds and unions that we would see their dissolution and then fall for the idea of one huge, vertical union of motion picture workers from top-to-bottom and, curiously enough, we would get our charter from that same Harry Bridges. Well, we fought back and we fought well.

And after several months of costly fighting, we won the battle, but it was only an isolated battle. Now, after more than a decade of peace and freedom from the attentions of these people, the order within the last year has come down from the communist party that your memories are short, so are ours, the climate has changed and they are to come out from hiding and once again take up where they left off, re-infiltrate the entertainment industry and again seek to subvert the screens to communist propaganda. Many people in our midst, misguided, well-meaning, will help them, will believe in the civil rights of a man to believe politically what he wants to believe. Now we in Hollywood don't pose as having seen the monkey, we can run the circus. But we do believe that perhaps our experience has given us an awareness that is not possessed by many of our fellow citizens. I'm sure that everyone in the world agrees that the number one problem in the world today is the ideological struggle with Russia. Millions of words each day are uttered concerning the fluctuations of temperature in the Cold War. In spite of this, however, many people in high places in government, many people who mold opinion, through the press and on the airwaves, subscribe to a theory, a belief, that we are at peace and that we must guard our every action so as to make no overt move that would disturb this peace. Men cry peace, but there is no peace. We are at war and it's a war we are losing simply because we don't, or won't, realize we are in it. It's an unusual war, fought with strange weapons, but we can't yell foul. It's a declared war. Karl Marx laid down the cardinal principle a century ago when he said communism and capitalism cannot exist in the world together. And he then declared the war and said that our way, our freedom, our way of life must be destroyed and on the ruins they will then erect the international communist state. Lenin, in interpreting Karl Marx, said, "It is inconceivable that the Soviet Republic should continue to exist for a long period side-by-side with imperialistic states. Ultimately, one or the other, must conquer."

Last November, the communist parties of 81 countries held a convention in Moscow and again they reaffirmed this principle of Marx that it was war to the death. In a 20,000 word manifesto issued as a result of that convention, they called on communists all over the world in countries where there were non-communist governments to work for the destruction of their own governments by treason and subversion. Only in one phase, the one we fear most, are we ahead in this conflict and that is, if the communists should resort to armed force. Thanks to the dedicated patriotism and realistic thinking of our men in uniform, we would win the shooting war. But this isn't too disturbing to the men in the Kremlin because they actually only counted on armed conflict in one eventuality. By their own words, they said, if the Americans should stupidly yield to a massive peace offensive and submit to disarmament and we could shortcut our regular program, our strategy, with armed conflict that would be of no risk to ourselves then we would resort to force. Lenin, in 1923, said, "We will take Eastern Europe, we will organize the hordes of Asia and we won't have to take the United States. We will surround it and that last bastion of capitalism will fall into our outstretched hand like overripe fruit." Well, they've taken Eastern Europe. They are organizing the hordes of Asia around the red colossus of China and today I'm sure many of us suspect we are being prepared for the bitter cup of capitulation in Laos that will be watered down only slightly by a few face-saving devices. Cuba is a Russian beach head 90 miles off our Florida coast and more telling than that, 250,000 communist professional organizers are scattered up and down the length and breadth of Latin America.

Discussing other weapons and their effectiveness against us, Bulganin said "We can't appeal to the American working man, he's too well fed. But when, through inflation, America has priced herself out of the world markets, and unemployment follows, then we will settle our debt with the United States." Part of the American apathy is probably due to our reluctance to believe there can be any menace in a communist party so few in numbers here in our country. That only if it becomes a mass party with

millions of people supporting it does it become something we should pay attention to and should worry about. And yet we ignore the fact that this was exactly the premise upon which Lenin took power within the ranks of the socialist followers. Lenin, determined the idea that the communist party never would be a large party. That it would be a hard, small, professional cadre. That only those people who had proven themselves would be allowed membership and this small professional cadre would, as he said, manipulate and use the masses when they were needed and he referred to us as the masses, we were the willing idiots. The communists are supremely confident of victory. They believe that you and I, under the constant pressure of the Cold War, will one by one give up our democratic traditions and principles and customs. Only temporarily, of course, but only temporarily we will turn to totalitarian tactics and methods just for the purpose of opposing the enemy. And then they cynically believe we will one day awake to find that we have, in adopting these tactics, become so much like the enemy that the causes for conflict have disappeared between us. Three and a half months before his last visit to this country, Nikita Khrushchev said, "We can't expect the American people to jump from capitalism to communism but we can assist their elected leaders in giving them small doses of socialism until one day they will awaken to find they have communism." Well this isn't exactly a new thought. As a matter of fact, the struggle we're in isn't new at all, no matter our confusion it's the same age-old struggle of mankind since his climb from the swamps. The struggle of those who believe that a few have the right to rule the many as against those who believe in individual liberty. James Madison speaking before the Virginia convention in 1788 said, "Since the general civilization of mankind, I believe there are more instances of the abridgement of the freedom of the people by gradual and silent encroachment of those in power, than by violent and sudden usurpation." Others, not realizing perhaps, that one day they would be serving the communist cause also subscribe to this belief and decided to use it. A socialist clergyman, writing in 1927, in *The New Leader*, the socialist magazine of that day, called for a new strategy of the American socialist party. He said they must infiltrate government and put men in government jobs and then he said we must work for government ownership of power, government control of railroads and banking and key industries. And he said we'll call our program, *Encroaching Control*. A short time ago, Norman Thomas, six times candidate for president on the socialist party ticket, gave a critique on the success of this program when he said the American people will never knowingly vote for socialism, but under the name of liberalism the American people will adopt every fragment of the socialist program.

They've appealed not to the worst, but to the best in us. To our sense of fair play, our willingness to compromise, and compromise is a noble thing when it involves two people of diametrically opposed views, willing to meet in some middle ground where they can coexist together. But compromise in the field of legislation has been developed into a technique of foot-in-the-door legislation. Get any part of a proposed government program enacted into law and then, with the principle of government participation in that field established, work particularly during each election year to expand that to the ultimate aim that one day government must become a big brother to us all. Traditionally, one of the methods first used in imposing statism on a people has been government paid medical care. It's the easiest to disguise as a humanitarian project and none of us wants to be in the position of opposing medical aid to the sick. Today, in our country, the most expensive government medical program in the world is our own Veteran's Administration hospital program. Now, none of us disagree with the idea that a man wounded in the service of his country is entitled to the finest of medical and hospital care that we can possibly afford and give him. But today three out of four veteran's administration beds are filled with patients suffering diseases or injuries neither originated by nor aggravated by military service. Indeed there are only 40,000 service connected disabilities in the whole United States, and yet every annual budget contains millions of dollars for veteran's hospital building the expansion of present facilities. Counting the twenty-three million of us who are veterans and the recent liberalization of our benefits and those other government programs already enacted, today

one out of four American citizens is entitled to some form of government paid medical or hospital care. Now it is proposed that all people of Social Security age should come under a program of such comprehensive government care. On an emotional basis, we are presented with a picture of our senior citizens, millions of them, needing medical care, unable to finance it. But somehow in this plea, the proponents of this measure fail to, or seem strangely reluctant, to meet the facts face-to-face. In the last decade, 127 million Americans have come under the protection of some form of private medical or hospital insurance. This includes some two-thirds of the people of Social Security age, seventy percent of the total population. And if the same rate continues, by 1970, the coverage will amount to ninety percent of our population. As nearly as we can determine, the real problem concerns about ten percent of our senior citizens who have medical needs and who do not have the means to finance them. To that end, the last session of Congress adopted a program known as the Kerr-Mills bill. To make funds available through the states to provide medical care for that ten percent. Now, without even waiting to see if that program will work, we find that the proponents of this other program, the once defeated Forand Bill, are pleading that the only way you can meet the problem of these ten percent is an overall compulsory program forcing all people into compulsory government insurance above age 65 whether they need it or not. We're justified, I believe, in accepting that this federal aid to medical...to a medical program actually is simply an excuse to bring about socialized medicine. As a matter of fact, ex-Congressman Forand by his own words says, "If we can only break through and get our foot inside the door then we can expand the program after that." Walter Reuther has announced that it is no secret that the organization that he represents favors a complete program of national health insurance for all the population. New America, the socialist magazine, has said, "The Forand Bill will not be paid for on insurance principles according to factors of estimated risk. It will be paid for through the tax mechanisms of Social Security. Once the bill is passed, this nation will be provided with a mechanism for socialized medicine." Well, he has mentioned the tax mechanism of Social Security. In 1935, Social Security called for a three percent contribution of \$3000 of annual income. Today it calls for six percent of \$4800 of annual income. And if the expansions now proposed are voted, including this medical program, by 1969 it will call for eleven percent of \$5000 of income and again it is no secret that the proponents of this measure are openly advocating that there should be no limit that Social Security taxes and dues should be based on gross income with no ceiling. Social Security was never intended to supplant private savings, insurance or pension plans of unions or industries. It actually was supposed to form a basis for a savings program so that destitution wouldn't follow unemployment by reason of death, disability or old age. But the temptation during election years to some politicians was too great. In 1943, the actuarial experts of Social Security estimated that by 1957, the total outgo in benefit payments would be \$1,200,000,000. But by 1957, the total outgo was over \$7,000,000,000. In 1959, we started paying out more than we're taking in. Today, the people drawing Social Security benefits will collect \$65,000,000,000 more than they paid in. And those of us who are participating in the program and paying into it now are unfunded to an amount between 300 and 600 billion dollars. This program has been presented to us as an insurance program and indeed that term is used over and over again and we are told and led to believe that we and our employers are contributing to a fund and that some day we will call upon that fund on our own money to tide us over our non-earning years. But this isn't the tone of the testimony uttered by the experts of Social Security recently in a lawsuit before the United States Supreme Court. In that lawsuit, the experts of Social Security said it is not an insurance program. It does not have to be based on actuarial principles because it has at its beck and call the tax mechanism of the country. It then went on to say that Social Security dues are a tax for the general use of the government and the payment of this tax does not automatically entitle any citizen to the payment of Social Security benefits. It then goes on to say that these benefits are a welfare program at the behest of Congress and that Congress can curtail or cancel these benefit payments any time it sees fit.

And what of our sons? What of the young men who in these next few years will come into the nation's workforce? He will pay, in annual Social Security taxes, he and his employer, an amount which if he had at his disposal to invest in private insurance would provide him with a policy that would pay him almost double the benefits he will get from Social Security. But this isn't the only cost in personal freedom. Recently, the press reported the case of a religious group in this country has, as a tenet of its faith, the belief that it cannot participate in any pension or welfare program of government. The government stepped in, confiscated their property, sold their cattle at auction to enforce their payment of Social Security taxes. The foot in the door of education has been the \$900 million National Defense Education Act of 1958. The excuse, once again, was the Cold War, Russia had put a Sputnik into the heavens, obviously something must be wrong with our education system. And so we are presented with a picture of overcrowded classrooms, of destitute teachers and of bankrupt school districts. But again let's face the facts. Ninety-nine and one half percent of the school districts in the United States have not even approached the limit of their bonded indebtedness. An increase of 35% of students in the last ten years has been matched with a 134% increase in spending at the local level. We have increased, in this decade, 10 million of the number of students educated in our public schools. We have matched this with a building program of classroom space for 15 million students. 500 colleges in America today can take an additional 200,000 students, without even adding a chair or desk, let alone another classroom. We're told that we must, on a crash program, build 60,000 classrooms a year for the next 10 years. But they forget to tell us we've been building for the last 5 years, 68,000 classrooms a year and if we continue at that rate, by 1970 we will have a surplus of classroom space in this country. Of course we want our teachers adequately paid. We believe they are entitled to the finest that we can afford and we've been doing something about it. Perhaps not as much as we should, but in the last few years the average salary of teachers has gone up from \$3100 a year to \$5300. The truth is there is not one shred of evidence has been presented that there is a necessity for any federal aid to our traditional local and state educational program. The aim, the aim alone is federal control. They deny this in proposing the legislation, but two and a half billion dollar program now that is advocated by the largest spending lobby in Washington D.C. But what do we hear in other utterances? The director of public education of the state of Washington spoke out in protest publicly against the problem of his state. For two years, in trying to fit itself to the rigid requirements of the director, the national director of education under the present act and he said this is federal control by indirection. All the more dangerous because it pretends to be a federal handout. The former president of the National Education Association spoke publicly on the probable need for temporary federal control of the school system in order to bring about integration in the South. The former chairman of the president's youth fitness committee has said much as we would like to keep our traditional system of local management of the schools we can no longer afford it. We must, in order to meet Russia on equal terms, adopt a same kind of nationalized program they have. The Health, Education and Welfare Department has quadrupled its staff. It today is working to create a system of national curriculum and a set of national policies for education because they look forward to the day when we will have a federal school system. In short, the proponents of this measure believe that the only way we can properly educate our young, is to take the control of teachers and subjects and curriculum out of the hands of the parents and put it in the hands of a bureau in Washington, D.C.

27 years ago, the American farmer was told that if the government subsidized him in his need, it would not mean government control. Now we have the case of Evetts Haley, Jr. a Texas university professor and rancher who raised wheat on his own land, fed it to his own cattle and was fined \$4000 for so doing. And the United States Supreme Court upheld that conviction. They ruled in a single sentence, yes an agency of the federal government has the right to tell an American citizen

what he can grow on his own land for his own use. We adopt a program to curb the production of farm surplus and then make it so financially attractive to produce a surplus that today we own enough wheat to bake 25 loaves of bread for every human being alive in the world. In the nearby state of New Mexico, citizens have learned that they can lease state-owned land for 25 cents an acre and immediately apply for and receive \$9 an acre in Soil Bank payments to not plant that land. And all of the farm mess involves 20%, one fifth of agriculture. It would seem that the answer to the farm mess is to get that 20% of agriculture as quickly as is practicable out from under government regulation and subsidy and back out with the other 80% of agriculture which is doing just fine on the open market of supply-and-demand. But what is being proposed in Washington, well a farm program is being lobbied which says the only answer to the farm problem is to take the 80% of free agriculture into a program of government regimentation, requiring the licensing of every farm in the United States, requiring the government establishment of production quotas and prices. And then they frankly admit this will mean the employment of thousands and thousands of new employees in the agricultural department, a permanent government subsidy and the raising of food prices between 15 and 25%. And in order to do this, they admit they will also create, artificially, a shortage of foodstuffs to the point that meat alone will be in supply about equal to what we knew under rationing in World War II. Thomas Jefferson said, "If we let Washington tell us when to sow and when to reap, the nation shall soon want for bread."

I doubt if the American people would ever out ...vote, outright for the nationalization of industry as we saw it take place in England a few years ago, but in spite of this, we find that the federal government owns and operates more than 19,000 businesses covering 47 different lines of activity. It ranges from the distilling of rum to the manufacture of surgical and dental equipment. 700 government corporations have an estimated book value of \$260 billion. They operate tax-free, rent-free, dividend-free, in direct competition with our own citizens and each year lose billions of dollars in this operation. Now next time you're caught in a traffic jam, take some satisfaction from the fact that one of the government corporations built a six-lane highway in Spain. It runs 15 miles from Madrid to a gambling casino. All of this has led to the creation of a collection of internal powers and bureaucratic institutions against which we the citizens are virtually helpless. And this power, under whatever name, whatever ideology, is the very essence of totalitarianism. It's led to a permanent structure of government so complex and so big that Congress can no longer police its activities. Indeed, it actually does a great deal to determine the policy of our government, this permanent structure. Some time ago, a year ago, a subcommittee of Congress was appointed to look into the area of federal employees. They found there are almost two and a half million. They found that in 1942 there was one top salaried executive for every 89 employees. Today there's one for every 17. The committee further said they found little evidence that any agency, bureau or department created in answer to an emergency ever went out of existence even after the emergency had disappeared. Well, an example of this could be the Spruce Products Corporation a government corporation which Congress ordered liquidated in 1920. 30 years later, it was still in existence. This was the corporation founded in World War I to secure spruce wood for airplane fuselages. Some people, in advocating this government participation in business, tell us, well with its great central power and authority, the government, perhaps can do things more efficiently that we can at the local level. Well an example of this efficiency might be the Veteran's Insurance department. The claims department, where three government employees take double the time to perform the task normally assigned to one employee in the average private insurance company. Well, Congress perhaps is tied and can't do too much about it, but we can. First of all, we can inform ourselves on every piece of legislation that is presented to Congress. We can ask ourselves does it fit the theory of the Founding Fathers that government should only do those things the people can't do for themselves. Then we should write, we should look beyond this at what, not just what is the piece of legislation, what is the aim of

the people backing it. Write to our Congressmen. Tell them where we stand. Tell them our opposition to federal aid to education, to a federal medical program leading to socialized medicine. You may think that it is silly to write to a Congressman, that it's sort of like fan mail, believe me 50 letters from a group of this kind means 50 times as much as a single resolution passed by an organization or a petition. 40,000 letters in Congress is considered evidence of a trend in public thinking. That's why the communist party boasts they can put 50,000 letters in Washington in any 72-hour period on any issue they choose. And don't forget now and then to sit down and just write a letter to your Congressman to pat him on the back if they are on the firing line, he has been fighting the cause you believe in.

But none of these extensions of socialism could be effected without money. The fodder upon which our government is fed and grown beyond the consent of the governed is the tax system which has only one real consistency and that is that any levy once imposed is never removed. During the Korean War, an excise tax was put on phones. We were told the government didn't need it for revenue, but it was put on to curtail our use of the telephone because of the war emergency. Now the war is long gone, but the tax lingers on. We suggest it be removed and government says we can't, we need the revenue. This tax plus the hundreds and hundreds of hidden and indirect taxes account for a third of your phone bill, one fourth of the cost of your automobile, a hundred of such taxes account for 50% of the price of a loaf of bread, a half of the gas and oil that you put in your car. We were told in our lifetime that the income tax if adopted would amount to 2%, never more and that it would only be applied to the wealthy. Well today, in this lifetime, we've seen that law grow from 31 words to more than 440,000 words beginning at 20% now and rising to 91% of a man's earned income. This progressive income tax was spawned by Karl Marx a hundred years ago. The steepest rate of increase in the surtax brackets occurs through the middle income range where to be found the bulk of our small-businessmen, our professional people, our supervisory personnel and many of our farmers. It reaches 50% and incidentally, these are the people that Karl Marx said should be taxed out of existence. It reaches 50% at 16 or 18 thousand dollars of income. This is considered such a luxury and yet the New York Supreme Court has recently ruled that a man earning \$14,000 a year is so poverty-stricken that he should be entitled to live in government-subsidized public housing. We accept the proportion...that this tax is proportioned again appealing to our sense of fair play but if there is no moral justification for the progressive income tax we find that proportionate tax is best described in our Bible. Both the old and new testament describe tithing as the economic basis of our Judaic and Christian religions. We are told that we give the Lord a tenth and we are told that if the Lord prospers us ten times as much, we give ten times as much. But when you start computing Caesar's share under our present tax system you'll find that the man of average income, if he has prospered ten times as much, his personal income tax goes up 53 times as much. And does it really help the little man? Those of us that believe that we are willing to pay a proportional amount in order to remove the burden from that man of lesser income. Take a man with a gross income of \$3500 per year and a wife and two children. When he is finished paying the tax collectors, federal, state and local and all those hidden and indirect taxes at the end of the year, he will find the tax collectors share of his gross \$3500 is \$1059. Now some people tell us the answer to his problem is to soak those of a higher income even more. But how much leeway is left? If the government, tomorrow, started confiscating all income above \$6000, all income, the increased revenue wouldn't pay the interest on the national debt. No nation in history has ever survived a tax burden that amounted to one-third of its people's earnings. Today, 31 cents out of every dollar earned in the United States goes to the tax collector. And of that 31 cents, 23 cents goes to the federal government, leaving 8 cents for the federal, county and the local community to divide up between itself. No wonder we have to turn to government and ask for federal aid in all of our projects. But wouldn't it make a lot more sense to keep some of that money here in the local community to begin

with instead of than routing it through that puzzle palace on the Potomac where its returned to us, minus a sizable carrying charge?

[applause]

Lenin said the way to destroy capitalism is to debauch the currency. Through a quiet process of planned inflation, a government can quietly and unobservedly confiscate the wealth of its citizens. Henry VIII did it openly. He substituted copper for silver in the coinage of the day. While our own government has been deliberate and dishonest in its inflationary policies. Your dollar last year lost another two cents in purchasing power. In 20 years, we know, all of use that it's shrunk to less than half its previous value. But we're told that we shouldn't worry because in this inflated market, our earnings have kept pace and we're earning two-for-one. But they forget the part played by that progressive income tax which is based not on the value of the dollar but on the number of dollars you earn. And so when you start earning two-for one to maintain your purchasing power, you find that you have to earn additional dollars, the vicious cycle begins. Additional dollars to pay your increased surtax as you have moved up through successive brackets. The \$5000 a year man of 20 years ago today must earn \$14,000. The \$10,000 a year man must earn \$31,000 and 12,000 of that represents his increased income tax. Would any of us care to project 15 years ahead, to 1975? The same gradual rate of inflation, keep the same tax system and pretend that then we shall have a free economy? When the \$5000 a year man will have to earn \$33,000. The \$10,000 a year man, to break even, will have to earn \$84,000. And any among us who are fortunate as to be at that lofty \$50,000 a year plateau, well that fella's got earn \$835,000 to break even.

Here is the main battleground. Two years ago, I had the experience of going to Washington representing the motion picture industry before the House Ways and Means Committee, to advocate the adoption of a tax reform program. This was an experience similar to going over Niagara Falls in a barrel...the hard way, upstream.

[laughter and applause]

In a month of unprecedented hearings, practically every segment of the American economy appeared before that program and 100% of those appearing demanded some kind of tax reform. But it was obvious there was little sympathy on the part of the majority of that committee with our views so it was a surprise when a few months later they decided to hold additional hearings on tax reform. This time, no volunteers. They would hand pick and invite a few selected witnesses and so a group mainly of campus economists appeared before the committee and they to talked tax reform. But they talked a tax reform which would see that the government got additional revenue, a greater share of the national income. They said this could be done by closing some of the loop-holes whereby you and I were avoiding our just share of taxation. And some of these loop-holes were the very legitimate deductions without which the whole hodge-podge system would have long since proven unworkable. They were that you and I should not be allowed to deduct our real estate tax or the interest on our mortgages or loans before computing income tax. We shouldn't be allowed to deduct charitable and education contributions at 100%. Those of the liberal persuasion today are lobbying for a tax reform measure now before Congress, a tax reform measure which may come to us piecemeal, not all in one piece. But this tax reform measure actually will be presented with a reduction of rates but so many loop-holes would be closed that the advocates openly say the government, if they adopt this program, will get \$18 billion more than they are now getting. And then they just as openly say by coincidence we happen to have \$18 billion worth of welfare programs we want the government to adopt. These same people tell us we're not smart enough to spend our money for the things we

should buy, that the function of government should be to take our money from us through taxation and buy for us the welfare programs that our intelligence will not or, our lack of intelligence will not permit us to buy. They say they refute, before a Senate committee one of them as a spokesman said they refute the idea that the least government is the best government. And when we suggest to them the danger of more deficit spending, when they tell us that only local and state debt is bad, but the federal debt is meaningless, they tell us that we are sacrificing our security on the false altar of a balanced budget. Well, ladies and gentleman, they very source of our strength is our individual liberty and our free economy. And there is no security anyplace in the free world if there isn't fiscal stability within the United States. Of course the federal debt is meaningless, it's incomprehensible. I've taken to drawing a picture for myself. If I had here in my hand a 4-inch stack of \$1000 bills, I'd be a millionaire. But if we had in front of us the national debt, piled up in \$1000 bills, the pile would be more than 18 miles high. And this is only the part that shows above the surface like an iceberg. Actually in legislation already enacted into law our government is obligated to more than \$750 billion. This added to the local and state debt and the private debt of our citizens' amounts to a figure more than double the market value of every tangible asset and every foot of real estate in the United States.

Today, with no one using the term socialism to describe encroaching control, we find one out of seven of the workforce on the public payroll. In 15 years, a 50% increase in public employees has been matched by a 170% increase in their payroll. One-fourth of our people now entitled to government-paid medical care, socialized medicine if you please. One-fifth of our industry owned and operated by government. Senator Byrd has estimated that today 40 million American citizens receive some form of direct cash payment from the federal government. We have a tax system that in direct contravention to the Constitution is not designed solely to raise revenue, but is openly and admittedly used to regulate and control the economy and the level the earnings of our citizens, aiming again at that mediocrity which is the utopian dream of the socialists. Here is where we must expend the main effort. Don't forsake the other issues that I have mentioned but as Justice Oliver Wendell Holmes said, "Strike for the jugular. Reduce taxes and spending. Keep government poor, and remain free." Write to your Congressman and demand a tax reform immediately which will reduce the percentage of the national income the government is taking in taxes. Write to your Congressman and tell him you want an end to deficit spending, that you want the same control of the federal government's right to borrow that we exert here at the local community and at the state level. Tell him further, with an eye on our children, that you want, as part of the annual budget a regular payment on that national debt. And if your Congressman is one who writes back and says he, too, is for economy, but we must reduce government spending before we reduce taxes, you write back and tell him this is a dishonest theory. Because no government in history has ever voluntarily reduced itself in size. Government doesn't tax to get the money it needs, government will always find a need for the money it gets. There can be only one end to the war we are in. We can't just out-wait it and hope by not looking, that it will go away. Wars like this one end in victory or defeat. One of the foremost authorities on communism in the world today, a former medical missionary, has said that we have ten years, not ten years in which to make a decision, we have ten years to decide the verdict because within this decade, the world will become either all free or all slave. Our Founding Fathers, here in this country, brought about the only true revolution that has ever taken place in man's history. Every other revolution simply exchanged one set of rulers for another set of rulers. But only here did that little band of men so advanced beyond their time that the world has never seen their like since, evolve the idea that you and I have within ourselves the God-given right and the ability to determine our own destiny. But freedom is never more than one generation away from extinction. We didn't pass it on to our children in the bloodstream. The only way they can inherit the freedom we have known is if we fight for it, protect it, defend it and then hand it to them with the well

thought lessons of how they in their lifetime must do the same. And if you and I don't do this, then you and I may well spend our sunset years telling our children and our children's children what it once was like in America when men were free.

Thank You.