

A TIME FOR CHOOSING

RONALD REAGAN (1911–2004)

In this nationally televised speech in support of Barry Goldwater, the 1964 Republican Party presidential candidate, Reagan challenges the Progressive principles behind President Johnson's Great Society. The speech propelled Reagan to national prominence.

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I am going to talk of controversial things. I make no apology for this. I have been talking on this subject for ten years, obviously under the administration of both parties. I mention this only because it seems impossible to legitimately debate the issues of the day without being subjected to name-calling and the application of labels. Those who deplore use of the terms “pink” and “leftist” are themselves guilty of branding all who oppose their liberalism as right wing extremists. How long can we afford the luxury of this family fight when we are at war with the most dangerous enemy ever known to man? 5

If we lose that war, and in so doing lose our freedom, it has been said history will record with the greatest astonishment that those who had the most to lose did the least to prevent its happening. The guns are silent in this war but frontiers fall while those who should be warriors prefer neutrality. Not too long ago two friends of mine were talking to a Cuban refugee. He was a businessman who had escaped from Castro. In the midst of his tale of horrible experiences, one of my friends turned to the other and said, “We don’t know how lucky we are.” The Cuban stopped and said, “How lucky you are? I had some place to escape to.” And in that sentence he told the entire story. If freedom is lost here there is no place to escape to. 10 15

It’s time we asked ourselves if we still know the freedoms intended for us by the Founding Fathers. James Madison said, “We base all our experiments on the capacity of mankind for self-government.” This idea that government 20

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was beholden to the people, that it had no other source of power except the sovereign people, is still the newest, most unique idea in all the long history of man's relation to man. For almost two centuries we have proved man's capacity for self-government, but today we are told we must choose between a left and
5 right or, as others suggest, a third alternative, a kind of safe middle ground. I suggest to you there is no left or right, only an up or down. Up to the maximum of individual freedom consistent with law and order, or down to the ant heap of totalitarianism; and regardless of their humanitarian purpose those who would sacrifice freedom for security have, whether they know it or not, chosen this
10 downward path. Plutarch warned, "The real destroyer of the liberties of the people is he who spreads among them bounties, donations, and benefits."

Today there is an increasing number who can't see a fat man standing beside a thin one without automatically coming to the conclusion the fat man got that way by taking advantage of the thin one. So they would seek the answer to all
15 the problems of human need through government. Howard K. Smith of television fame has written, "The profit motive is outmoded. It must be replaced by the incentives of the welfare state." He says, "The distribution of goods must be effected by a planned economy."

Another articulate spokesman for the welfare state defines liberalism as meeting
20 the material needs of the masses through the full power of centralized government. I for one find it disturbing when a representative refers to the free men and women of this country as the masses, but beyond this the full power of centralized government was the very thing the Founding Fathers sought to minimize. They knew you don't control things; you can't control the economy
25 without controlling *people*. So we have come to a time for choosing. Either we accept the responsibility for our own destiny, or we abandon the American Revolution and confess that an intellectual belief in a far-distant capitol can plan our lives for us better than we can plan them ourselves.

Already the hour is late. Government has laid its hand on health, housing, farming,
30 industry, commerce, education, and, to an ever-increasing degree, interferes with the people's right to know. Government tends to grow; government programs take on weight and momentum, as public servants say, always with the best of intentions, "What greater service we could render if only we had a little more money and a little more power." But the truth is that outside of its legitimate function,
35 government does nothing as well or as economically as the private sector of the economy. What better example do we have of this than government's involvement in the farm economy over the last thirty years. One-fourth of farming has seen a steady decline in the per capita consumption of everything it produces. That one-fourth is regulated and subsidized by government.

In contrast, the three-fourths of farming unregulated and unsubsidized has seen a twenty-one percent increase in the per capita consumption of all its produce. Since 1955 the cost of the farm program has nearly doubled. Direct payment to farmers is eight times as great as it was nine years ago, but farm income remains unchanged while farm surplus is bigger. In that same period we have seen a decline of five million in the farm population, but an increase in the number of Department of Agriculture employees. 5

There is now one such employee for every thirty farms in the United States, and still they can't figure how sixty-six shiploads of grain headed for Austria could disappear without a trace, and Billy Sol Estes never left shore. Three years ago the government put into effect a program to curb the over-production of feed grain. Now, two and a half billion dollars later, the corn crop is one hundred million bushels bigger than before the program started. And the cost of the program prorates out to forty-three dollars for every dollar bushel of corn we don't grow. Nor is this the only example of the price we pay for government meddling. Some government programs with the passage of time take on a sacrosanct quality. 10 15

One such considered above criticism, sacred as motherhood, is TVA. This program started as a flood control project; the Tennessee Valley was periodically ravaged by destructive floods. The Army Engineers set out to solve this problem. They said that it was possible that once in 500 years there could be a total capacity flood that would inundate some six hundred thousand acres. Well, the engineers fixed that. They made a permanent lake which inundated a million acres. This solved the problem of floods, but the annual interest on the TVA debt is five times as great as the annual flood damage they sought to correct. 20 25

Of course, you will point out that TVA gets electric power from the impounded waters, and this is true, but today eighty-five percent of TVA's electricity is generated in coal-burning steam plants. Now perhaps you'll charge that I'm overlooking the navigable waterway that was created, providing cheap barge traffic, but the bulk of the freight barged on that waterway is coal being shipped to the TVA steam plants, and the cost of maintaining that channel each year would pay for shipping all of the coal by rail, and there would be money left over. 30

One last argument remains: the prosperity produced by such large programs of government spending. Certainly there are few areas where more spending has taken place. The Labor Department lists fifty percent of the 169 counties in the Tennessee Valley as permanent areas of poverty, distress, and unemployment. 35

Meanwhile, back in the city, under Urban Renewal, the assault on freedom carries on. Private property rights have become so diluted that public interest

- is anything a few planners decide it should be. In Cleveland, Ohio, to get a project under way, city officials reclassified eighty-four buildings as substandard in spite of the fact their own inspectors had previously pronounced these buildings sound. The owners stood by and watched twenty-six million dollars
- 5 worth of property as it was destroyed by the headache ball. Senate Bill 628 says: "Any property, be it home or commercial structure, can be declared slum or blighted and the owner has no recourse at law. The Law Division of the Library of Congress and the General Accounting Office have said that the Courts will have to rule against the owner."
- 10 HOUSING. In one key Eastern city a man owning a blighted area sold his property to Urban Renewal for several million dollars. At the same time, he submitted his own plan for the rebuilding of this area and the government sold him back his own property for twenty-two percent of what they paid. Now the government announces, "We are going to build subsidized housing in the
- 15 thousands where we have been building in the hundreds." At the same time FHA and the Veterans Administration reveal they are holding 120 thousand housing units reclaimed from mortgage foreclosure, mostly because the low down payment and the easy terms brought the owners to a point where they realized the unpaid balance on the homes amounted to a sum greater than the
- 20 homes were worth, so they just walked out the front door, possibly to take up residence in newer subsidized housing, again with little or no down payment and easy terms.

Some of the foreclosed homes have already been bulldozed into the earth, others, it has been announced, will be refurbished and put on sale for down

25 payments as low as \$100 and thirty-five years to pay. This will give the bulldozers a second crack. It is in the area of social welfare that government has found its most fertile growing bed. So many of us accept our responsibility for those less fortunate. We are susceptible to humanitarian appeals.

Federal welfare spending is today ten times greater than it was in the dark depths

30 of the Depression. Federal, state, and local welfare combined spend forty-five billion dollars a year. Now the government has announced that twenty percent, some 9.3 million families, are poverty-stricken on the basis that they have less than a \$3,000 a year income.

If this present welfare spending was prorated equally among these poverty-

35 stricken families, we could give each family more than \$4,500 a year. Actually, direct aid to the poor averages less than \$600 per family. There must be some administrative overhead somewhere. Now, are we to believe that another billion dollar program added to the half a hundred programs and the forty-five billion

dollars, will, through some magic, end poverty? For three decades we have tried to solve unemployment by government planning, without success. The more the plans fail, the more the planners plan.

The latest is the Area Redevelopment Agency, and in two years less than one-half of one percent of the unemployed could attribute new jobs to this agency, and the cost to the taxpayer for each job found was \$5,000. But beyond the great bureaucratic waste, what are we doing to the people we seek to help? 5

Recently a judge told me of an incident in his court. A fairly young woman with six children, pregnant with her seventh, came to him for a divorce. Under his questioning it became apparent her husband did not share this desire. Then the whole story came out. Her husband was a laborer earning \$250 a month. By divorcing him she could get an eighty dollars raise. She was eligible for \$350 a month from the Aid to Dependent Children Program. She had been talked into the divorce by two friends who had already done this very thing. But any time we question the schemes of the do-gooders, we are denounced as being opposed to their humanitarian goal. It seems impossible to legitimately debate their solutions with the assumption that all of us share the desire to help those less fortunate. They tell us we are always against, never for anything. Well, it isn't so much that liberals are ignorant. It's just that they know so much that isn't so. 10 15 20

We are for a provision that destitution should not follow unemployment by reason of old age. For that reason we have accepted Social Security as a step toward meeting that problem. However, we are against the irresponsibility of those who charge that any criticism or suggested improvement of the program means we want to end payment to those who depend on Social Security for a livelihood. 25

FISCAL IRRESPONSIBILITY. We have been told in millions of pieces of literature and press releases that Social Security is an insurance program, but the executives of Social Security appeared before the Supreme Court in the case of *Nestor v. Fleming* and proved to the Court's satisfaction that it is not insurance but is a welfare program, and Social Security dues are a tax for the general use of the government. Well it can't be both: insurance and welfare. Later, appearing before a Congressional Committee, they admitted that Social Security is today 298 billion dollars in the red. This fiscal irresponsibility has already caught up with us. 30 35

Faced with a bankruptcy, we find that today a young man in his early twenties, going to work at less than an average salary, will, with his employer, pay into Social Security an amount which could provide the young man with a retire-

ment insurance policy guaranteeing \$220 a month at age sixty-five, and the government promises him \$127.

Now, are we so lacking in business sense that we cannot put this program on a sound actuarial basis, so that those who do depend on it won't come to the
 5 cupboard and find it bare, and at the same time can't we introduce voluntary features so that those who can make better provision for themselves are allowed to do so? Incidentally, we might also allow participants in Social Security to name their own beneficiaries, which they cannot do in the present program. These are not insurmountable problems.

10 YOUTH AID PLANS. We have today thirty million workers protected by industrial and union pension funds that are soundly financed by some seventy billion dollars invested in corporate securities and income earning real estate. I think we are for telling our senior citizens that no one in this country should be denied medical care for lack of funds, but we are against forcing all citizens into
 15 a compulsory government program regardless of need. Now the government has turned its attention to our young people, and suggests that it can solve the problem of school dropouts and juvenile delinquency through some kind of revival of the old C.C.C. camps. The suggested plan prorates out to a cost of \$4,700 a year for each young person we want to help. We can send them to
 20 Harvard for \$2,700 a year. Of course, don't get me wrong—I'm not suggesting Harvard as the answer to juvenile delinquency.

We are for an international organization where the nations of the world can legitimately seek peace. We are against subordinating American interests to an organization so structurally unsound that a two-thirds majority can be mustered
 25 in the U.N. General Assembly among nations representing less than ten percent of the world population.

Is there not something of hypocrisy in assailing our allies for so-called vestiges of colonialism while we engage in a conspiracy of silence about the peoples enslaved by the Soviet in the satellite nations? We are for aiding our allies by
 30 sharing our material blessings with those nations which share our fundamental beliefs. We are against doling out money, government to government, which ends up financing socialism all over the world.

We set out to help nineteen war-ravaged countries at the end of World War II. We are now helping 107. We have spent 146 billion dollars. Some of that
 35 money bought a two million dollar yacht for Haile Selassie. We bought dress suits for Greek undertakers. We bought one thousand TV sets with twenty-three-inch screens for a country where there is no electricity, and some of our foreign aid funds provided extra wives for Kenya government officials. When

Congress moved to cut foreign aid they were told that if they cut it one dollar they endangered national security, and then Senator Harry Byrd revealed that since its inception foreign aid has rarely spent its allotted budget. It has today \$21 billion in unexpended funds.

Some time ago Dr. Howard Kershner was speaking to the Prime Minister of Lebanon. The Prime Minister told him proudly that his little country balanced its budget each year. It had no public debt, no inflation, a modest tax rate, and had increased its gold holdings from seventy to 120 million dollars. When he finished, Dr. Kershner said, "Mr. Prime Minister, my country hasn't balanced its budget twenty-eight out of the last forty years. My country's debt is greater than the combined debt of all the nations of the world. We have inflation, we have a tax rate that takes from the private sector a percentage of income greater than any civilized nation has ever taken and survived. We have lost gold at such a rate that the solvency of our currency is in danger. Do you think that my country should continue to give your country millions of dollars each year?" The Prime Minister smiled and said, "No, but if you are foolish enough to do it, we are going to keep on taking the money."

NINE STALLS FOR ONE BULL. And so we built a model stock farm in Lebanon, and we built nine stalls for each bull. I find something peculiarly appropriate in that. We have in our vaults \$15 billion in gold. We don't own an ounce. Foreign dollar claims against that gold total \$27 billion. In the last six years, fifty-two nations have bought \$7 billion worth of our gold and all fifty-two are receiving foreign aid.

Because no government ever voluntarily reduces itself in size, government programs once launched never go out of existence. A government agency is the nearest thing to eternal life we'll ever see on this earth. The United States Manual takes twenty-five pages to list by name every Congressman and Senator, and all the agencies controlled by Congress. It then lists the agencies coming under the Executive Branch, and this requires 520 pages.

Since the beginning of the century our gross national product has increased by thirty-three times. In the same period the cost of federal government has increased 234 times, and while the work force is only one and one-half times greater, federal employees number nine times as many. There are now two and one-half million federal employees. No one knows what they all do. One Congressman found out what one of them does. This man sits at a desk in Washington. Documents come to him each morning. He reads them, initials them, and passes them on to the proper agency. One day a document arrived he wasn't supposed to read, but he read it, initialled it and passed it on. Twenty-

four hours later it arrived back at his desk with a memo attached that said, "You weren't supposed to read this. Erase your initials, and initial the erasure."

While the federal government is the great offender, the idea filters down. During a period in California when our population has increased ninety percent, the cost of state government has gone up 862 percent and the number of employees 500 percent. Governments, state and local, now employ one out of six of the nation's work force. If the rate of increase of the last three years continues, by 1970 one-fourth of the total work force will be employed by government. Already we have a permanent structure so big and complex it is virtually beyond the control of Congress and the comprehension of the people, and tyranny inevitably follows when this permanent structure usurps the policy-making function that belongs to elected officials.

One example of this occurred when Congress was debating whether to lend the United Nations \$100 million. While they debated, the State Department gave the United Nations \$217 million and the United Nations used part of that money to pay the delinquent dues of Castro's Cuba.

Under bureaucratic regulations adopted with no regard to the wish of the people, we have lost much of our Constitutional freedom. For example, federal agents can invade a man's property without a warrant, can impose a fine without a formal hearing, let alone a trial by jury, and can seize and sell his property at auction to enforce payment of that fine.

RIGHTS BY DISPENSATION. An Ohio deputy fire marshal sentenced a man to prison after a secret proceeding in which the accused was not allowed to have a lawyer present. The Supreme Court upheld that sentence, ruling that it was an administrative investigation of incidents damaging to the economy. Someplace a perversion has taken place. Our natural unalienable rights are now presumed to be a dispensation of government, divisible by a vote of the majority. The greatest good for the greatest number is a high-sounding phrase but contrary to the very basis of our nation, unless it is accompanied by recognition that we have certain rights which cannot be infringed upon, even if the individual stands outvoted by all of his fellow citizens. Without this recognition, majority rule is nothing more than mob rule.

It is time we realized that socialism can come without overt seizure of property or nationalization of private business. It matters little that you hold the title to your property or business if government can dictate policy and procedure and holds life and death power over your business. The machinery of this power already exists. Lowell Mason, former anti-trust law enforcer for the Federal Trade Commission, has written "American business is being harassed, bled and

even blackjacked under a preposterous crazy quilt system of laws.” There are so many that the government literally can find some charge to bring against any concern it chooses to prosecute. Are we safe in our books and records?

The natural gas producers have just been handed a 428-page questionnaire by the Federal Power Commission. It weights ten pounds. One firm has estimated it will take 70,000 accountant man-hours to fill out this questionnaire, and it must be done in quadruplicate. The Power Commission says it must have it to determine whether a proper price is being charged for gas. The National Labor Relations Board ruled that a business firm could not discontinue its shipping department even though it was more efficient and economical to subcontract this work out. 5 10

The Supreme Court has ruled the government has the right to tell a citizen what he can grow on his own land for his own use. The Secretary of Agriculture has asked for the right to imprison farmers who violate their planting quotas. One business firm has been informed by the Internal Revenue Service that it cannot take a tax deduction for its institutional advertising because this advertising espoused views not in the public interest. 15

A child’s prayer in a school cafeteria endangers religious freedom, but the people of the Amish religion in the State of Ohio, who cannot participate in Social Security because of their religious beliefs, have had their livestock seized and sold at auction to enforce payment of Social Security dues. 20

We approach a point of no return when government becomes so huge and entrenched that we fear the consequences of upheaval and just go along with it. The federal government accounts for one-fifth of the industrial capacity of the nation, one-fourth of all construction, holds or guarantees one-third of all mortgages, owns one-third of the land, and engages in some nineteen thousand businesses covering half a hundred different lines. The Defense Department runs 269 supermarkets. They do a gross business of \$730 million a year, and lose \$150 million. The government spends \$11 million an hour every hour of the twenty-four and pretends we had a tax cut while it pursues a policy of planned inflation that will more than wipe out any benefit with depreciation of our purchasing power. 25 30

We need true tax reform that will at least make a start toward restoring for our children the American dream that wealth is denied to no one, that each individual has the right to fly as high as his strength and ability will take him. The economist Sumner Schlichter has said, “If a visitor from Mars looked at our tax policy, he would conclude it had been designed by a Communist spy to make free enterprise unworkable.” But we cannot have such reform while our 35

tax policy is engineered by people who view the tax as a means of achieving changes in our social structure. Senator [Joseph S.] Clark (D.-Pa.) says the tax issue is a class issue, and the government must use the tax to redistribute the wealth and earnings downward.

- 5 KARL MARX. On January 15th in the White House, the President [Lyndon Johnson] told a group of citizens they were going to take all the money they thought was being unnecessarily spent, "take it from the haves and give it to the have-nots who need it so much." When Karl Marx said this he put it: . . . "from each according to his ability, to each according to his need."
- 10 Have we the courage and the will to face up to the immorality and discrimination of the progressive surtax, and demand a return to traditional proportionate taxation? Many decades ago the Scottish economist, John Ramsey McCulloch, said, "The moment you abandon the cardinal principle of exacting from all individuals the same proportion of their income or their property, you are at
- 15 sea without a rudder or compass and there is no amount of injustice or folly you may not commit."

No nation has survived the tax burden that reached one-third of its national income. Today in our country the tax collector's share is thirty-seven cents of every dollar earned. Freedom has never been so fragile, so close to slipping from our

20 grasp. I wish I could give you some magic formula, but each of us must find his own role. One man in Virginia found what he could do, and dozens of business firms have followed his lead. Concerned because his two hundred employees seemed unworried about government extravagance he conceived the idea of taking all of their withholding out of only the fourth paycheck each month. For

25 three paydays his employees received their full salary. On the fourth payday all withholding was taken. He has one employee who owes him \$4.70 each fourth payday. It only took one month to produce two hundred conservatives.

Are you willing to spend time studying the issues, making yourself aware, and then conveying that information to family and friends? Will you resist the

30 temptation to get a government handout for your community? Realize that the doctor's fight against socialized medicine is your fight. We can't socialize the doctors without socializing the patients. Recognize that government invasion of public power is eventually an assault upon your own business. If some among you fear taking a stand because you are afraid of reprisals from customers,

35 clients, or even government, recognize that you are just feeding the crocodile hoping he'll eat you last.

If all of this seems like a great deal of trouble, think what's at stake. We are faced with the most evil enemy mankind has known in his long climb from

the swamp to the stars. There can be no security anywhere in the free world if there is not fiscal and economic stability within the United States. Those who ask us to trade our freedom for the soup kitchen of the welfare state are architects of a policy of accommodation. They tell us that by avoiding a direct confrontation with the enemy he will learn to love us and give up his evil ways. 5 All who oppose this idea are blanket indicted as war-mongers. Well, let us set one thing straight, there is no argument with regard to peace and war. It is cheap demagoguery to suggest that anyone would want to send other people's sons to war. The only argument is with regard to the best way to avoid war. There is only one sure way—surrender. 10

APPEASEMENT OR COURAGE? The spectre our well-meaning liberal friends refuse to face is that their policy of accommodation is appeasement, and appeasement does not give you a choice between peace and war, only between fight and surrender. We are told that the problem is too complex for a simple answer. They are wrong. There is no easy answer, but there is a simple answer. We 15 must have the courage to do what we know is morally right, and this policy of accommodation asks us to accept the greatest possible immorality. We are being asked to buy our safety from the threat of "the bomb" by selling into permanent slavery our fellow human beings enslaved behind the Iron Curtain, to tell them to give up their hope of freedom because we are ready to make a 20 deal with their slave masters.

Alexander Hamilton warned us that a nation which can prefer disgrace to danger is prepared for a master and deserves one. Admittedly there is a risk in any course we follow. Choosing the high road cannot eliminate that risk. Already some of the architects of accommodation have hinted what their decision will be if their 25 plan fails and we are faced with the final ultimatum. The English commentator [Kenneth] Tynan has put it this way: he would rather live on his knees than die on his feet. Some of our own have said "Better Red than dead." If we are to believe that nothing is worth the dying, when did this begin? Should Moses have told the children of Israel to live in slavery rather than dare the wilderness? 30 Should Christ have refused the Cross? Should the patriots at Concord Bridge have refused to fire the shot heard 'round the world? Are we to believe that all the martyrs of history died in vain?

You and I have a rendezvous with destiny. We can preserve for our children this, the last best hope of man on earth, or we can sentence them to take the 35 first step into a thousand years of darkness. If we fail, at least let our children and our children's children say of us we justified our brief moment here. We did all that could be done.