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Note: Questions were paraphrased and/or shortened by the transcriber. For the exact question, please consult the audiotapes.

6507 – Power of Federal Dollar/Federal Aid

Guest: Sen. Strom Thurmond (R-SC)

Morphew: Why are so many wealthy cities coming to Washington and asking for federal funds?

Thurmond: Well, Dick, that is chiefly because the federal government has preempted the sources of taxation and the states and local communities are unable to raise the taxes they need to support their institutions. The federal government is entering the field of education, for instance, in which it has no constitutional jurisdiction. It takes money to do this and it has to raise this money and when it does it raises it from sources that could be left to the states. For instance, in the field of alcohol and tobacco, which brings in \$6 billion a year or more, this money could be left to the states if the federal government would get out of these 2 fields of jurisdiction. Then the states could use that money. And what could they do with \$6 billion if left to the states. The states and local communities could do a lot more along the lines of education, in my opinion, than could the federal government. So, the main trouble is that the federal government has preempted the sources of taxation, the fields from which revenue is raised, and therefore, the cities, the counties and states are coming to Washington asking for money.

Morphew: Trying to get some of their own money back, as it were.

Thurmond: Trying to get a portion of their own money back, that's exactly right, and I might say this too, that we have no money here in Washington except what has come here from the pockets of the taxpayers of the nation and for that dollar to come up here and go back it has to go through bureaucrats and it takes about 25 or 30 percent. So, for every dollar the taxpayer sends up here, they get about 70 or 75 cents.

Morphew: People are also learning recently about the strings attached to the federal dollar and you argued in your 1948 campaign that with federal dollars comes federal control...

Thurmond: Dick, there is no question about that. I cautioned the people many years ago, as far back to, as you said, 1948, when I was governor of South Carolina and ran for president on the States' Rights Democratic ticket, that federal control would follow federal aid. That is exactly what is happening today. Under this so-called Civil Rights Bill, Title VI that was passed, it is provided there that the federal government could withhold funds and they are now coercing every school district in this country along the lines of integration, in other words, if they do not bring about full integration they say they cannot get the government aid. Now, so many school districts have been dependent upon the federal government for Impact Today, school lunch aid, vocational aid, various other kinds of aid, until they feel compelled almost to go along. Well, of course, that is a matter that each district will have to decide. But there is the trouble. Where you have the dollar, there you have the social power. Now this country has gone in debt to the extent of \$313 billion by furnishing so much foreign aid and the way we handle our trade policies and by injecting itself into so many fields of activity and we owe today more money than all the rest of the countries in the world put together. We owe more money in proportion than a great many countries to which we have been giving foreign aid, for instance, or lending foreign aid. In my opinion, Dick, if the federal government would get out of some of these sources of taxation the states could run their schools and other local institutions from the local taxes that could be raised from those sources.

Morphew: Much in the field of education should be approved but you're saying that that could best be done by local sources

Thurmond: That is exactly right. I favor the local communities in the states running the schools of the nation. The national government, whether it is the Supreme Court, the executive branch or the legislative branch, has no jurisdiction in the field of education and they ought not to be into that field. And furthermore, I think they ought to get out of various fields of taxation so those fields can be returned to the states and the states can operate fully and amply if they can obtain the tax sources which the federal government now has. As I mentioned, just 2 sources alone will bring in \$6 billion a year, the field of alcohol and the field of tobacco.

Morphew: Compliance certificates that school districts have to sign, spell out in detail what the school are going to do and who is going to do it, correct?

Thurmond: That is correct. They have got to present a plan for full integration. And they've got to go further, according to information I have received, and notify all the children that they are entitled to attend school at any particular school. In other words it means full integration. Now how is the government doing that? Through the use and the power of the dollar because if they get federal aid, they are going to exercise that control. And you will find that that is not only the case in schools, it's the case in other things too. Out in the state of Oregon, why they were using a yellow line for the middle line in the

highways, and the Bureau of Roads, I was told, instructed the state of Oregon that they would have to change the color of that line to a white line before they could draw any more aid. Now, that's just another example of federal control following federal aid. Just as the night follows the day, federal control is going to follow aid. So, the least aid we can get from Washington, the better for the states and the better for the people of the states, and this can be brought about if we can get the federal government out of various fields of taxation along the line I mentioned and many others.

Morphew: The way they are administering the CRA, if an individual were to try to deal with another individual in this manner, wouldn't it be considered bribery?

Thurmond: Why it would seem so to me.

Morphew: What can be done about this growing power?

Thurmond: Well, by going into these fields of taxation and being able to supply aid to the states and getting the states and local community dependent upon this federal aid, that has enabled the federal government to exercise tremendous control. In other words, we are bringing about a greater centralization of power in Washington today than we have ever had before. History tells us that down through the centuries, people have suffered when you have too much power at one level of government and I am strongly opposed to bringing so much power to Washington. I am convinced it is going to destroy the freedom of the people. It is going to bring tyranny to the people. In fact, it is beginning to bring tyranny now to the people of this nation, the steps being taken by the federal government. It is destroying their rights individually, it is destroying the rights of the states, under the constitution. We must take every step we can to prevent any further centralization of power in Washington because we know that this means a destruction of individual rights, a destruction of states rights, a deprivation of liberty and freedom as we have known throughout this country. I hope that we can keep anymore power from being given to Washington and one of the best ways we can do it is to keep the federal government out of fields of taxation and putting money out of their hands. And anything we can do to keep the dollar out of the hands of the federal government will help the states and the local communities retain their power. Senator Buly (????) I think has realized this, and he has more or less specialized in the fields of taxation and fiscal matters, and he feels that if we can control the fiscal policies and maintain sound fiscal policies then so many other matters will take care of themselves. I think there is a great deal of strength in that argument. Of course, there are other matters too that have to be controlled but this power of the dollar, Dick, is tremendous. The power of the almighty dollar in the hands of the federal government, is probably the most dangerous weapon in America today.

Morphew: You referred last year to the CRA as a \$100 billion blackjack, do you still believe that today?

Thurmond: That's correct. The budget of the federal government is a hundred billion dollars a year, in fact, it's going something over a hundred billions of dollars a year now.

And they can use that money as a blackjack. Why they have got about 110 different kinds of grant and loan programs for the states in addition, and the different subdivisions of government, in addition to the programs to help the individual. And just think what they can do with a hundred billion dollars a year in their hands at their disposal. Using that to conform people to a pattern. Using that to centralize government. Using that to bring people to one mold whether they want to or not, to change their way of life, to try to change their thinking and of course, once they get control of the field of education, which I predict they will do if they go into the general field of education because your history books will be rewritten, your curricula will be prescribed and then that's the beginning of a dictatorship. That's the way dictatorships rise. Don't forget we had states before we had a national government, the Union. In fact, after the American Revolutionary War we had 13 independent nations and when they came together and formed the Union they only delegated certain powers to the Union. Some people seem to think we get our powers from Washington. We don't do it. It's just the reverse. The national government has only those powers that have been given it by the states in the Constitution and the 24 amendment adopted since the adoption of the constitution. But the national government today is violating the constitution. It's going into all of these different fields of activity where it has no constitutional authority.