

JANUARY 30, 1974 - INTERVIEW WITH DAVE KUHN, MINNEAPOLIS TRIBUNE on  
JOINT ECONOMIC COMMITTEE CHAIRMANSHIP

First of all the Committee is going to be expanding its membership because there is such a demand to get on the committee that the leadership in both the House and the Senate want to add at least two seats and may even have four. Senator Mansfield spoke to me about this yesterday. Today I had the staff meeting with the Committee and I think this is one of the first times that the chairman has met with the entire staff. And I outlined to them some of the directions that I thought we would follow. We had an organization meeting yesterday or was it the day before yesterday - Tuesday, yes, Tuesday - and set up our subcommittees and the committee chairmanships and then the individual members will make applications to serve on those respective committees. We want a variety of subject matter ~~underxxxxxxx~~ on those committees. We have a committee on fiscal policy, another one on urban affairs, international economics, priorities and economy in government, economic growth - that's the planning, that's what you call development in planning - consumer economics. Then there are a couple of ad hoc ones that don't do too much but they - interAmerican economic relationships which is really a sort of stand-by committee, is a hangover, so to speak, from days when there was a good deal of economic assistance going into <sup>Latin</sup> ~~South~~ America. That's more or less being tied into the international economics. And one on economic progress; that is another sort of catch-all subcommittee that is chaired by the Vice Chairman. We have decided that we will have certain areas that are covered by the Full Committee entirely, tax policy or fiscal policy, monetary, that is credit, money supply and interest that relates to federal reserve activities. The review of the President's Economic Report, the report of the Council of Economic Advisors to the President, that will be the subject of intensive hearings on the part of the Full Committee. The Federal Budget likewise will be the subject of Full Committee action, and the reports of the Bureau of Labor Statistics on the subject of employment and the cost of living index. Also, we have included in Full Committee for at least the first few months the question of energy, energy policy. We will also be setting up for the Full Committee, food policy, a kind of broader review of the whole subject of national food policy in terms of its economic impact. Later on we will hold a number of hearings on national growth and development. That's not what we call an immediate matter but it's something that will be continued both in terms of hearings at the Full Committee level as well

as by the Subcommittee on Economic Growth, and staff studies. Now those are the general areas that will be looked into with greater detail and emphasis. In the Consumer Economic Subcommittee, I will continue to chair that in my role as chairman of the Full Committee. We also will have a number of what we call contract studies where we contract out to top-grade experts to give us studies; for example, I am deeply interested in the subject of capital accumulation and capital growth for American ~~enterprise~~ enterprise. That's a very complicated subject and it needs outside counsel. We will be doing staff studies on that, hearings and outside consultation. Another area of study that we will be making is on utilities, a separate staff study on utilities. I went over this with our people this morning. What we have in mind on utilities is what are their capital needs. We want to look down the road five or ten years - five years, ten years. What is current capacity? What's current economic conditions, that is the current finance position of the utilities? What capacity is needed? What is the investment that will be required? We'll study the different tax structure that affect utilities, federal and state. The relationship of an investment tax credit to utility expansion. The types of fuels that they use and their utility rates are availability. This is a very important subject because ~~utility rates are~~ ~~xxxxxxx~~ ~~xxx~~going to be a subject of very significant consumer concern. That's one right butter, out on the line. That's just like bread, bacon and beef. I mean every month you get that check. So we are going to put special emphasis on that. Our energy study will include a very broad ~~a~~ range of all sources of fuel. What their costs will be like. What are the ~~xxxxxxx~~ ~~xxxxxxx~~ ~~xxxxxxx~~ costs? How much do you have to put in to develop it. We have listed out certain subject matter such as coal gasification. We know that South Africa and the Federal Republic of Germany have done a lot on this. We will be making some inquiries around - lots of that will be staff work. We will also be doing a study on revenue sharing - how its working. What if any alterations need to be made. Henry Reuss and I were the sponsors of the revenue sharing bill. In fact we were co-sponsors of the bill that finally passed, so we want to have a good broad look at that. That will/bring into that a review of state and local government budgets; what's happening to those budgets. What are the projections on those budgets. Now a number of states fortunately ~~now~~ do have long-term projections as to what they think their budgets will look like down the road. All of this is forecasting that has its pitfalls. Now that's about where we are. We have a very big program ~~made~~ ~~xxxxxxx~~ out.

laid out. By the way we are bringing aboard on our staff some agricultural economists, either one or two, but we have not had anybody in the field of agriculture. I think this is <sup>a</sup> very big shortcoming. As I said to them what's happening in agriculture today is as significant as what's happening in the automobile industry, only moreso. When the prices drop in agriculture it makes whatever happens in the automobile industry look relatively modest, so we never had in the Joint Economic Committee any studies about agriculture economy. The farm indebtedness, the price of land, what is the capital that is required for agriculture and what are the credit policies that relate to agriculture, and much of this goes untouched \* except for an occasional hearing in the Committee on Agriculture. So we are really going to put some emphasis on this. Energy policy, national food policy, monetary policy and fiscal policy - those are the four big areas, or to put it more simply, fiscal, monetary, energy and food. Now in energy of course comes this utility business and also the research, the ultimate fumes, and all of that sort of business. And then we have another segment that deals with what you call budgets, federal, state and local budget policies.

Question: I assume that the <sup>agricultural</sup> ~~agricultural~~ economists . . .

Humphrey: That's right. It's a new emphasis. I also ~~might~~ might mention - I got with ~~staff~~ this staff. I will have regular staff meetings. I want to get them ginned up, active, so they really - as I said to them I expect them to be, to search out for economic information, to get beyond the immediate daily newspaper, to get into the more fundamental and provocative and thoughtful documents that are published by, not only in the United States but abroad. There has been very little emphasis in our Joint Economic Committee on international finance, international economics. The only one that has given any attention to that is Henry Reuss. Well, now Henry is very busy as chairman now of the House Banking Committee and I am going to insist that we put some emphasis on this because what happens to the dollar, its value, devaluations, revaluations. What happens in the export policy, import policy, all of this affects our economy almost more than anything we do at home. So we will staff up accordingly.

Question: add agricultural economists, are you planning to add or change the staff in any other way? Humphrey: We will not add many staff people. I am not too heavy for that. I feel that we should use consultants. I prefer to be able to reach out when we need somebody for a thirty day period, to get them for thirty days, or if you need them for

60 days rather than having somebody permanently on the staff. We have some good staff people. They just need backup of people - we couldn't afford to really hire that kind of talent on a yearly basis that I want to get.

Question: What would be your hope now as you start out in regard to what the Committee's work would do . . . . <sup>Had</sup> ~~Have~~ you envisioned this in your best scopes? Humphrey: Well, let me just tell you. One of the simply things that we are going to do that will be very different and I think will be helpful. We will publish a weekly economic letter that will review the economic events of the week, including testimony, including also a search and review of the documents of economic literature and that will be sent to every member of Congress and to a substantial number of other people, including journalists, and people that are Governors, legislators, etc. Once a week, the Joint Economic Committee will have like a newsletter, but not filled with opinion, not our opinion, but will be a compilation or should I say excerpts from and abstracts and excerpts of testimony, studies that have been made from different economic groups like Federal Reserve and the City Bank in New York, etc. The key things that need to be brought to the public's attention. Then we are going to publish a glossary on economic terminology. We have never had one. Members don't really know what all this terminology means. Members of Congress have been writing in saying what about this; what does this mean; what's this terminology really mean?

Question: ? Humphrey: Yeh, that's a tiny helpful. Then we are going to keep - we will have, for example, an index of current materials in energy and in these key areas, in energy, monetary policy, tax policy, food policy. So that we will - we are going to try to make the Joint Economic Committee a resource for the Congress. Now already, I have just come from a meeting of the Chairman of the <sup>Senate</sup> ~~Democrat~~ Committees. Senator Mansfield has called a second meeting of the chairmen of the committees. We have establish an ad hoc committee that is pulling together a lot of ideas on what the Democratic program ought to be, the sort of thing I have been pushing for. I think this is a result of my explosion is a caucus about two weeks ago when I said I had heard a lot of talk about CIA but not enough on JOB, and I wasn't getting much mail out of Minnesota about the CIA. And the mail I am getting, they said we got interested only when the FBI looked like it was investigating



Members of Congress, but they are interested in the economy. And now we have pulled together all of our chairmen under Mansfield's leadership and we sit there. We are going to do this about every week, going over what needs to be recommended and pushed as a Democratic program. Now the Joint Economic Committee will provide to this ad hoc committee review of what material we get, just as a way of feeding in information. Now the same thing will be available to the Republicans. It's a bi-partisan committee. It will be available, but we also will provide close staff coordination. There is minority staff on this committee as well as majority. I believe in both minority and majority staff, so that our committee now is right in the center of the formulation of a total economic energy package down here in the Congress, and I hope to be able to make this committee visible as a resource for Congressmen and Senators, for committees. And as I said to the committee members ~~xxxx~~ the other day and to the staff today that I wanted to be sure that we were legislatively oriented. In other ~~xxxxxx~~ words, I don't want us to be only a study group just for the sake of studying. We have got to be thinking in terms of what does this study reveal that might be put into action through some form of administrative policy or legislation. We're not running a library and we're not running a college seminar ~~xxxxxx~~ even though what we do is frequently on a study basis, but out of these studies we should get recommendations that go to legislative committees. For example, if we do a national food study, which we will, and we already started it on the supermarket level. All of those findings should be brought to the attention of the committees on agriculture in the House and Senate, and to those committees that are interested in consumer problems. And if we do a study on energy, it'll be brought to the attention of the appropriate legislative committees and in the meantime, we are working with those staffs anyway. We are beginning to tie in the Joint Economic Committee more closely with the legislative staffs.

Question: How would you describe the role of the <sup>influence</sup> that the Joint Economic Committee . Most people don't know exactly what it is.

doesn't pass bills? Humphrey: It has been a sounding board for economic thought and economic policy. It has been effective in working with the administration, whatever administration is in power. It is obviously one of the - it is the only committee in Congress that has any continuing direct contact with the Federal Reserve. From time to time

the Banking and Currency Committees do, but this committee works closely with the Chairman of the Federal Reserve system. I think ~~xxxxxx~~ historically what it has been able to do is to provide a forum for discussion and debate on administration economic policies, whatever administration is in power. A critical analysis of the Council of Economic Advisors report from the congressional point of view and to interpret what comes out of the Bureau of Labor Statistics. Also it does ~~xxx~~ a good job on the budget. We are required under the law to be able to ~~fix~~ file a report with the Congress of the budget and its economic impact. Every year and that's almost gone on unnoticed but we are going ~~xxxxxxx~~ - we are working with Muskie. I have had a meeting with Ed Muskie and our committee will work with the budget committee on this, getting an analysis from that committee's point of view to feed into the budget committee. So it is essentially a committee of guidance, of advice, of resources. Out of this committee have come some of the suggestions that have been made in terms of the revision of the cost of living index, the public service jobs program actually initiated from studies of this committee. We are going to take a look, for example, at the social impact of a number of Federal policies. Now that has been done by Martha Griffith in the past under what we call the Fiscal Subcommittee. In many ways, it has an advantage not being legislative because we don't have to be ~~so~~ of so contentious, and we are finding that more and more Members of Congress are coming to it, using its information. Now it made this inflation study which was used in the House by Carl Albert's group, and we have used it in the Senate as well. It's a good study that was done, but I hope, may I say David, immodestly. I hope to make it a more effective instrument, and I am going to try to keep it as bi-partisan as possible. I am already working with our Republica associates in this committee. We will have some field hearings by the way. I have said that every member that wants a field hearing, just let us know on the subject matter that you think is important, because I do believe that this committee can be helpful, particularly out in areas where you have Federal Reserve Banks. In other words, you can go to St. Louis; you can go to Minneapolis; you can go to these areas where you have a Federal Reserve Bank and you have got there the facilities of the Federal Reserve and the research establishment, and these Federal Reserve banking centers are generally big trade areas. They represent regions, really economic regions in our country. So we expect

to do that.

Question: I assume the interest <sup>and</sup> ~~in~~ the emphasis on planning, national planning is also reflected . . . going to talk about that. Humphrey: Yessir, and I am now in the position to get something done about that eventhough we were able to get it started a year ago. Lloyd Benson is very interested in it but Lloyd is going to be very ~~in~~ busy politically. The emphasis upon food policy, the emphasis upon energy policy and planning are really new emphases that we are putting on.

Question: Is this the first time that you have been chairman of a committee? Humphrey: Yessir. I told Johnny Apple this morning. That just proves that if you are just persistent. I have been here 21 years in Congress and this is the first time I have been chairman. Now had I stayed on and not been Vice President, I would have had the chairman of Government Operations, chairman of Agriculture, the ranking member in appropriations and the ranking member in foreign relations, but I left my seniority behind me then and now I had to start all over again. And fortunately I have gotten an opportunity now in an area where I am so keenly interested and plus the fact, it's my sort of bag. I am a generalist. I mean, I like to cover the waterfront. As I tell my staff, we are sort of a government unto ourselves here. We assign our staff to different departments of the government and different committees of the Congress. Each person here in this office has assignments for different departments. So we kind of run a government of our own. This gives me an opportunity to probe to almost any area that we want to, not so much on the basis of the investigation of such, but on the basis of study and analysis and recommendation, which I like very much. I also believe in giving committee members a lot of work. I believe in farming it out to them. That makes them participants and it involves them.

Question: Do you have any other subcommittee chairmanships this year? Humphrey: Yes. In fact I am very happy to tell you I am chairman, of course of the Foreign Agriculture Policy Subcommittee. I am also now chairman of a new committee in foreign relations.

Question: Is Foreign Agriculture Policy Subcommittee in Agriculture? Is that right? Humphrey: Yes, it's in Agriculture. The new one in Foreign Relations is Foreign Assistance and International and Economic Policy. I have been insisting - that's a combination of two subcommittees put together. I want the Foreign Assistance Act to have oversight, legislative oversight. This is a new committee and this committee will have

legislative authority, that is to prepare legislation, not consultative like the other subcommittees in Foreign Relations have been. It will have staff. We will monitor the foreign assistance program and all U.S. participation in international banks, all international economic policy, trade, credits, foreign assistance and international economics. I mean where we are involved in world bank, Asian bank, and everything that comes to the Foreign Relations Committee. That was just agreed to yesterday, so I am now tied into the economic field just the way I like to be tied in. <sup>have</sup> I got on the agriculture front, on the international economic front and in the Joint Economic Committee right across the board, in everything that you can think of. (Right. They all fit together.) Yes.

Question: How is the chairmanship of this committee determined. It rotates between House and Senate. Humphrey: Every two years. Question: Beyond that, how ? Humphrey: We are elected by the members. It's not strick seniority eventhough seniority would have given this to - well of course now we have the new rule that you could only be chairman of one major committee, but ~~I~~ my name was nominated by Abe Ribicoff, and seconded by Bill Proximire and supported by Sparkman and was just nominated. That's all. So I have it now for two years.

Question: Did you go to the Joint Economic Committee when you came <sup>Old</sup> back to the/Senate. It was two years later. Humphrey: It was two years later. I did not. I went on actually in the Congress of 1973. See I had to give up ~~Government Ops~~ Government Ops to get on foreign relations and I felt very badly about it for a while because Government Ops was so active last year and I have been on Government Operations all my life in the Congress. But for some reason or another I just that I'll get over in Foreign Relations. I have been Vice President and on the National Security Council and all of that so I went on there with a kind of heavy heart and kind of half wishing I hadn't, and I was given as a sort of <sup>a little</sup> consolation prize the Joint Economic Committee. But I pitched right in. I established that Consumer Economics Subcommittee and I think showed some interest.

Question: One final question... How are you feeling? Humphrey: Great. As I have stated, I am doing fine. Good. I keep a rough schedule and . . . Betty: He does. ~~Okayxxxxxx~~ Humphrey: Thank you. Okay, and thank you for your time.





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