

REMARKS BY SENATOR HUBERT H. HUMPHREY
INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS

Washington, D.C.
January 29, 1975

Today our economy is in the stranglehold of the worst American recession since the Great Depression of the 1930's.

In 1974 U.S. production dropped more than in any year since the late 1940's.

In 1974 the number of people out of work was larger than in any year since 1940.

In 1974 the "buying power" of most workers' paychecks dropped nearly 5 percent -- an almost unprecedented one year drop in the economic health of our people.

When President Ford announced his "WIN" program last October, 5.5 million people were out of work.

Today, three months later, the unemployment rate is nearly 7.5 percent, with about 7 million workers jobless. And this includes a quarter of a million auto workers.

Well, someone may have won under the Ford "WIN" plan, but it was not the nation's workers. They have taken a real beating.

We have had enough of "WIN" buttons, "game plans," "freezes and phases," and all the other Republican economic gimmicks. None of the public relations chatter has done any good for our workers and their families.

Today our people want and need work, not WIN buttons; income, not welfare; effective economic policies, and not public relations.

This Administration is so hung up on W-I-N that it's forgotten about J-O-B. And that's what we need in this country -- jobs, and plenty of them.

The President has outlined a major economic and energy policy in the last few weeks. While I have many problems with these proposals, it is progress at least to get the White House to provide us with its ideas.

Regrettably, the Ford proposals would stretch your already tight family budgets to the breaking point.

We need a tax cut. But the White House proposal is too timid and it is not fair.

Under the President's tax cut plan, a family of four with an income of \$10,000 a year would receive only \$100. Under a bill I have introduced, the same family of four would receive a tax cut of \$300.

President Ford's tax cut puts 43 percent of the benefits into the hands of the richest 17 percent of the population.

I recommend an overall tax cut of about \$20 billion.

The tax cut I have proposed would reduce taxes by at least 21 percent for all those earning \$15,000 a year or less, and by 32 percent for all those with incomes under \$10,000.

Prompt action on a tax cut is only the first step.

Almost seven million persons presently are out of work, and that number surely will increase. One thing is certain: a tax cut is of little direct help to a person without a job.

Democrats propose that Congress immediately authorize an additional 500,000 public service jobs, and an additional 250,000 jobs for each one-half percentage point rise in the unemployment rate.

Sure, this will cost money. Yes, it is contrary to the President's policy of vetoing any new spending. But it's the only way to get people back to work quickly. We must do it.

And we definitely will not accept the President's proposal that those on Social Security will not receive more than a five percent increase in benefits, even though the cost of living has increased by 12 percent. To deny them an increase in benefits equal to the rise in the cost of living is wrong and unacceptable.

There is no sense punishing people who rely on a small Social Security check, or raising the price of food stamps for people who already are struggling to feed their families.

The "old time economic religion" of the past two Presidents is really old time Republican sin. The tight credit and high interest rate policies have given us two major recessions in the last 6 years.

Tight money and high interest rates have not halted inflation. They have added to it. That's obvious to everyone. But they also have choked off economic growth, brought homebuilding to a virtual halt, increased bankruptcies among businessmen and farmers, and pushed millions of workers out into the streets.

Unless this misguided policy is reversed, the desired effect of the tax cut will be largely wasted.

The housing industry is a shambles. And there is no way out of a national recession while housing is in a depression. Today hundreds of thousands of skilled construction workers are out of their jobs, and thousands of contractors are without work.

Yet, the President has not released millions of dollars that Congress has specifically provided for housing.

I believe Congress should consider establishing a National Housing Bank with sufficient funds to provide interest subsidies and other financing for low- and middle-income taxpayers. We simply have to take decisive action to get financial help channeled into those sectors of our economy that are hurting badly.

On the energy front, every alternative has its problems. However, the President appears to have chosen the least desirable set of alternatives. The President's plan would add to our inflation and deepen the recession with no assurance of substantially reducing energy consumption.

The direct effects of the President's proposals add up to about \$45 billion, or \$15 billion more than proposed tax reductions. Others estimate that the cost may be \$55 to \$60 billion. But whatever the figures, this simply means that you will be paying out a lot more in higher energy costs than you will be getting back in lower taxes.

For a family of four earning \$15,000, the proposed \$220 tax reduction under the Ford plan will fall far short of the estimated \$800 more you will be paying for gasoline, heating oil, electricity, and natural gas.

Consumers will have to pay an additional 19 percent for gasoline and 28 percent for home heating fuel under the Ford proposals.

Before Congress agrees to travel down the road proposed by the President, we are going to examine the energy map for some alternate routes.

Any course of action will require sacrifice and inconvenience. That's not the issue. But the sacrifices must be fair, and they must move us toward the goal of increased energy conservation and independence.

I believe that the Democratic majority in the Congress does have "a better idea." The program I have outlined to you -- a tax cut, public service jobs, new housing initiative, lower interest rates, an equitable energy policy -- can restore the health of our economy and bring prosperity to our people.

The people gave the Democrats an overwhelming mandate in the November elections to find solutions to the critical economic problems that confront us today.

I am confident that, if the President will meet us half-way, we can design a "national economic policy" that will work.

We can and we must design a national policy that will get America back to work.

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Flyod "Red Smith"
Leonard Woodcock

George Nelson

Jack Hearle of St. Paul

REMARKS BY SENATOR HUBERT H. HUMPHREY

Al Barstad - formerly in Minn.

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WASHINGTON, D.C.

JANUARY 29, 1975

TODAY OUR ECONOMY IS IN THE STRANGLEHOLD OF THE WORST AMERICAN RECESSION SINCE THE GREAT DEPRESSION OF THE 1930's.

IN 1974 U.S. PRODUCTION DROPPED MORE THAN IN ANY YEAR SINCE THE LATE 1940's.

IN 1974 THE NUMBER OF PEOPLE OUT OF WORK WAS LARGER THAN IN ANY YEAR SINCE 1940.

IN 1974 THE "BUYING POWER" OF MOST WORKERS' PAYCHECKS DROPPED ^{by over} ~~5~~ 5 PERCENT -- AN ~~UNPRECEDENTED~~ UNPRECEDENTED ONE YEAR DROP IN THE ECONOMIC HEALTH OF OUR PEOPLE.

WHEN PRESIDENT FORD ANNOUNCED HIS "WIN" PROGRAM LAST OCTOBER, 5.5 MILLION PEOPLE WERE OUT OF WORK.

↳ TODAY, THREE MONTHS LATER, THE UNEMPLOYMENT RATE IS
NEARLY 7.5 PERCENT, WITH ABOUT 7 MILLION WORKERS JOBLESS,
AND THIS INCLUDES A QUARTER OF A MILLION AUTO WORKERS.

↳ WELL, SOMEONE MAY HAVE WON UNDER THE FORD "WIN" PLAN,
BUT IT WAS NOT THE NATION'S WORKERS ↳ THEY HAVE TAKEN A REAL
BEATING.

↳ WE HAVE HAD ENOUGH OF "WIN" BUTTONS, "GAME PLANS,"
"FREEZES AND PHASES," AND ALL THE OTHER REPUBLICAN ECONOMIC
GIMMICKS. ↳ NONE OF THE PUBLIC RELATIONS CHATTER HAS DONE ANY
GOOD FOR OUR WORKERS AND THEIR FAMILIES.

↳ TODAY OUR PEOPLE WANT AND NEED WORK, NOT WIN BUTTONS;
INCOME, NOT WELFARE; EFFECTIVE ECONOMIC POLICIES, AND NOT
PUBLIC RELATIONS.

L THIS ADMINISTRATION IS SO HUNG UP ON W-I-N THAT IT'S
FORGOTTEN ABOUT J-O-B. AND THAT'S WHAT WE NEED IN THIS COUNTRY

-- JOBS, AND PLENTY OF THEM.

L THE PRESIDENT HAS OUTLINED A MAJOR ECONOMIC AND ENERGY
POLICY IN THE LAST FEW WEEKS. WHILE I HAVE MANY PROBLEMS WITH
THESE PROPOSALS, IT IS PROGRESS AT LEAST TO GET THE WHITE
HOUSE TO PROVIDE US WITH ITS IDEAS.

SECRET
L REGRETTABLY, THE FORD PROPOSALS WOULD STRETCH YOUR
ALREADY TIGHT FAMILY BUDGETS TO THE BREAKING POINT.

L WE NEED A TAX CUT. BUT THE WHITE HOUSE PROPOSAL IS TOO
TIMID AND IT IS NOT FAIR.

↳ UNDER THE PRESIDENT'S TAX CUT PLAN, A FAMILY OF FOUR WITH AN INCOME OF \$10,000 A YEAR WOULD RECEIVE ONLY \$100.

UNDER A BILL I HAVE INTRODUCED, THE SAME FAMILY OF FOUR WOULD RECEIVE A TAX CUT OF \$300.

↳ PRESIDENT FORD'S TAX CUT PUTS 43 PERCENT OF THE BENEFITS INTO THE HANDS OF THE RICHEST 17 PERCENT OF THE POPULATION.

↳ I RECOMMEND AN OVERALL TAX CUT OF ABOUT \$20 BILLION.

THE TAX CUT I HAVE PROPOSED WOULD REDUCE TAXES BY AT LEAST 21 PERCENT FOR ALL THOSE EARNING \$15,000 A YEAR OR LESS, AND BY 32 PERCENT FOR ALL THOSE WITH INCOMES UNDER \$10,000.

PROMPT ACTION ON A TAX CUT IS ONLY THE FIRST STEP.

L ALMOST SEVEN MILLION PERSONS PRESENTLY ARE OUT OF
WORK, AND THAT NUMBER SURELY WILL INCREASE. ONE THING IS
CERTAIN: A TAX CUT IS OF LITTLE DIRECT HELP TO A PERSON WITHOUT
A JOB.

L DEMOCRATS PROPOSE THAT CONGRESS IMMEDIATELY AUTHORIZE
AN ADDITIONAL 500,000 PUBLIC SERVICE JOBS, AND AN ADDITIONAL
250,000 JOBS FOR EACH ONE-HALF PERCENTAGE POINT RISE IN THE
UNEMPLOYMENT RATE.

L SURE, THIS WILL COST MONEY. YES, IT IS CONTRARY TO THE
PRESIDENT'S POLICY OF VETOING ANY NEW SPENDING. BUT IT'S THE
ONLY WAY TO GET PEOPLE BACK TO WORK QUICKLY. WE MUST DO IT.

Soc Security

-6-

AND WE DEFINITELY WILL NOT ACCEPT THE PRESIDENT'S
PROPOSAL THAT THOSE ON SOCIAL SECURITY WILL NOT RECEIVE MORE
THAN A FIVE PERCENT INCREASE IN BENEFITS, EVEN THOUGH THE
COST OF LIVING HAS INCREASED BY 12 PERCENT. TO DENY THEM AN
INCREASE IN BENEFITS EQUAL TO THE RISE IN THE COST OF LIVING
IS WRONG AND UNACCEPTABLE.

↳ THERE IS NO SENSE PUNISHING PEOPLE WHO RELY ON A SMALL
SOCIAL SECURITY CHECK, OR RAISING THE PRICE OF FOOD STAMPS
FOR PEOPLE WHO ALREADY ARE STRUGGLING TO FEED THEIR FAMILIES.

↳ THE "OLD TIME ECONOMIC RELIGION" OF THE PAST TWO
PRESIDENTS IS REALLY OLD TIME REPUBLICAN SIN. THE TIGHT
CREDIT AND HIGH INTEREST RATE POLICIES HAVE GIVEN US TWO
MAJOR RECESSIONS IN THE LAST 6 YEARS.

↳ TIGHT MONEY AND HIGH INTEREST RATES HAVE NOT HALTED
INFLATION. THEY HAVE ADDED TO IT. THAT'S OBVIOUS TO EVERYONE.
BUT THEY ALSO HAVE CHOKED OFF ECONOMIC GROWTH, BROUGHT HOME-
BUILDING TO A VIRTUAL HALT, INCREASED BANKRUPTCIES AMONG
BUSINESSMEN AND FARMERS, AND PUSHED MILLIONS OF WORKERS OUT
INTO THE STREETS.

↳ UNLESS THIS MISGUIDED POLICY IS REVERSED, THE DESIRED
EFFECT OF THE TAX CUT WILL BE LARGELY WASTED.

↳ Housing
THE HOUSING INDUSTRY IS A SHAMBLES. AND THERE IS NO
WAY OUT OF A NATIONAL RECESSION WHILE HOUSING IS IN A
DEPRESSION. ↳ TODAY HUNDREDS OF THOUSANDS OF SKILLED CONTRUCTION
WORKERS ARE OUT OF THEIR JOBS, AND THOUSANDS OF CONTRACTORS ARE
WITHOUT WORK.

L YET, THE PRESIDENT HAS NOT RELEASED MILLIONS OF DOLLARS
THAT CONGRESS HAS SPECIFICALLY PROVIDED FOR HOUSING.

L I BELIEVE CONGRESS SHOULD CONSIDER ESTABLISHING A
NATIONAL HOUSING BANK WITH SUFFICIENT FUNDS TO PROVIDE INTEREST
SUBSIDIES AND OTHER FINANCING FOR LOW- AND MIDDLE-INCOME
TAXPAYERS. WE SIMPLY HAVE TO TAKE DECISIVE ACTION TO GET
FINANCIAL HELP CHANNLED INTO THOSE SECTORS OF OUR ECONOMY
THAT ARE HURTING BADLY.

Energy L ON THE ENERGY FRONT, EVERY ALTERNATIVE HAS ITS PROBLEMS!

L HOWEVER, THE PRESIDENT APPEARS TO HAVE CHOSEN THE LEAST

DESIRABLE SET OF ALTERNATIVES. THE PRESIDENT'S PLAN WOULD ADD

TO OUR INFLATION AND DEEPEN THE RECESSION WITH NO ASSURANCE

OF SUBSTANTIALLY REDUCING ENERGY CONSUMPTION.

↳ THE DIRECT EFFECTS OF THE PRESIDENT'S PROPOSALS ADD UP TO ABOUT ~~\$50~~ BILLION, OR ~~\$20~~ BILLION MORE THAN PROPOSED TAX REDUCTIONS. ↳ OTHERS ESTIMATE THAT THE COST MAY BE \$55 TO \$60 BILLION. ↳ BUT WHATEVER THE FIGURES, THIS SIMPLY MEANS THAT YOU WILL BE PAYING OUT A LOT MORE IN HIGHER ENERGY COSTS THAN YOU WILL BE GETTING BACK IN LOWER TAXES.

↳ FOR A FAMILY OF FOUR EARNING \$15,000, THE PROPOSED \$220 TAX REDUCTION UNDER THE FORD PLAN WILL FALL FAR SHORT OF THE ESTIMATED \$800 MORE YOU WILL BE PAYING FOR GASOLINE, HEATING OIL, ELECTRICITY, AND NATURAL GAS.

↳ CONSUMERS WILL HAVE TO PAY AN ADDITIONAL 19 PERCENT
FOR GASOLINE AND 28 PERCENT FOR HOME HEATING FUEL UNDER THE
FORD PROPOSALS.

↳ BEFORE CONGRESS AGREES TO TRAVEL DOWN THE ROAD PROPOSED
BY THE PRESIDENT, WE ARE GOING TO EXAMINE THE ENERGY MAP FOR
SOME ALTERNATE ROUTES.

↳ ANY COURSE OF ACTION WILL REQUIRE SACRIFICE AND
INCONVENIENCE. THAT'S NOT THE ISSUE. ↳ BUT THE SACRIFICES MUST
BE FAIR, AND THEY MUST MOVE US TOWARD THE GOAL OF INCREASED
ENERGY CONSERVATION AND INDEPENDENCE.

Better Idea

-11-

I BELIEVE THAT THE DEMOCRATIC MAJORITY IN THE CONGRESS
DOES HAVE "A BETTER IDEA." THE PROGRAM I HAVE OUTLINED TO YOU
-- A TAX CUT, PUBLIC SERVICE JOBS, ^A NEW HOUSING INITIATIVE,
LOWER INTEREST RATES, AN EQUITABLE ENERGY POLICY -- CAN RESTORE
THE HEALTH OF OUR ECONOMY AND BRING PROSPERITY TO OUR PEOPLE.

THE PEOPLE GAVE THE DEMOCRATS AN OVERWHELMING MANDATE
IN THE NOVEMBER ELECTIONS TO FIND SOLUTIONS TO THE CRITICAL
ECONOMIC PROBLEMS THAT CONFRONT US TODAY.

I AM CONFIDENT THAT, IF THE PRESIDENT WILL MEET
US HALF-WAY, WE CAN DESIGN A "NATIONAL ECONOMIC POLICY" THAT
WILL WORK.

WE CAN AND WE MUST DESIGN A NATIONAL POLICY THAT WILL
GET AMERICA BACK TO WORK.

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