

REMARKS BY SENATOR HUBERT H. HUMPHREY

NATIONAL DEMOCRATIC CLUB

WASHINGTON, D.C.

JUNE 17, 1975

It is a pleasure for me to be with you today to participate in the National Democratic Club's monthly "Know your Chairman" luncheon.

Your invitation has given me an opportunity to reflect a bit on the direction in which the Joint Economic Committee has been moving.

The Joint Economic Committee was established by Congress under the Employment Act of 1946. Its basic responsibility is to advise the Congress on economic proposals of the President.

During the last six months, the Joint Economic Committee, with the assistance of a very talented expert staff, has held extensive hearings on the state of the nation's economy and developed a number of specific practical proposals to restore the nation to sustained economic growth with full employment.

By and large, I believe that the advice the Committee has provided to the Congress has been very good. However, since the Joint Economic is not a legislative committee, we can only influence Congressional action in an indirect way. As you can imagine, this can, at times, be a very frustrating position to be in.

Given the fact that the nation is today in its worst economic condition since the Great Depression, and the fact that the Republican Party now controls the White House, the importance of the Joint Committee to the Democratic Party and to the nation has never been greater.

Over a year ago, we in the JEC were predicting the recession that now is upon us. We foresaw unemployment climbing above 9 percent and refused to accept the rosy predictions of the President and his economic advisors.

When George Meany talked last year, for example, of unemployment rising to 10 percent, we did not dispute it, as the Administration and others did. Now, if you add part-time workers unable to find full-time jobs and those so pessimistic about job prospects that they no longer are even looking, it turns out that Mr. Meany was in fact conservative.

The real unemployment rate in the United States today is a tragic 12 percent.

As you know, even this number hides rates of unemployment that are much larger for certain groups in our society and for certain places in the country.

The unemployment rate for teenagers is 23 percent, for black teenagers, 40 percent, for construction workers in St. Paul, Minnesota, over 30 percent and for the city of Detroit, nearly 25 percent.

These rates of unemployment, condoned by the Administration as necessary to control inflation, are economically, politically and socially unacceptable.

These figures represent an economic nightmare for the American people. So it is important that we know how we

got into this mess.

For the last six years, the mistakes, miscalculation, and misplaced priorities of the two Republican administrations have derailed the nation's economy and thrown millions of its working families into a ditch. The Joint Economic Committee has calculated that 75 million Americans will be directly affected by unemployment in their immediate families at some point this year.

To put today's economic situation into perspective, let's recall the condition of the American economy in 1969 when Richard Nixon first entered the Oval Office.

In case you have forgotten, the Republicans in 1969 inherited an economy where unemployment stood at 3.3 percent. Today, it stands at 9.2 percent and is moving tragically upwards.

In 1968, the last year of the Johnson-Humphrey Administration, inflation rose by 4.7 percent. Last year, Republican economic policies produced a rate of inflation of 12.2 percent.

During the 60's, our economy grew at an average rate of 6 percent each year. Since the Republicans came into the White House, that rate has been reduced by two thirds.

During the 60's, the buying power of the average American worker's paycheck grew by about 4 percent a year. This year it has dropped all the way back to the 1964 level.

During the 60's, we reduced the number of Americans living in poverty by over 10 million people. In the 70's all these gains have been wiped out.

Finally, in the 1960's we were building homes at the rate of 1.5 to two million units a year. Today we are building at about half that rate.

The statistics are a tragic but eloquent testimony to the total bankruptcy of Republican economic policy.

This is no time for half-hearted, traditional, do-nothing, trickle down conservative economic policies.

The Ford Administration is telling us that the economy is bottoming out. They are telling us that recovery is just around the corner. They are telling the American people that they must let nature take its course.

Unfortunately, the Administration and the Federal Reserve Board still are obsessed with inflation. They still are convinced that more unemployment and lower incomes must be endured in order to fight inflation.

I reject this "see-saw theory" of economics--the idea that unemployment must go up to get prices down.

This Administration does not seem to understand that over half of our inflation is due solely to the OPEC monopolists and the ripple effect of energy prices on everything from fertilizer and chemicals to aluminum foil and children's clothing. And it seems oblivious to its own statistics, which clearly show that the rate of increase in inflation is dropping off precipitously.

It is incredible that the President of the United States was calling for a tax increase to reduce consumer's incomes and to hold down spending in December of last year. And the Federal Reserve Board, under the control of Dr. Burns, pursued such a restrictive credit policy in December and January that

the money supply actually declined--an unheard of event in our post-war history.

In each case, they were following policies designed solely to fight inflation. But they were fighting inflation, generated abroad, by putting workers on the unemployment rolls here at home.

You don't cure a raging fever by amputating a leg. That may take your mind off the headache for awhile, but it certainly is no cure. It is tragic economics, bad politics, and bankrupt social policy which forces 8 million men and women on to the streets in the name of fighting inflation.

The American people no longer can be expected to suffer under this crowd of economic "nay sayers". We Democrats in the Congress must bring ourselves together to provide the kind of economic recovery program that the nation so desperately needs. Unless this is done, we will force our citizens to accept a decade of continued economic stagnation and employment recession.

This is no time to listen to the quaking voices of the faint of heart. Every day that we delay causes thousands of additional Americans jobs and income.

There are many things that we can do that will make a difference, that will produce income, that will put idle capacity back into production, that will provide people with meaningful jobs, that will restore balance to the Federal budget, state budgets, city budgets, and, most importantly, the budgets of American families.

First, we can and we must take better care of the unfortunate victims of recession. This means both an extension of unemployment compensation and an increase in its level. Today the average unemployment check is a mere \$65 a week-- a national disgrace.

We can and we must provide an emergency program of health insurance for those who lose coverage because they are now out of work.

Second, we cannot and will not scrimp on Social Security, on retirement benefits, or on food stamps, as the President has proposed. Congress rejects this cruel proposal.

Third, we must get the economy moving again, and to do this:

--We need a greatly expanded program of public service jobs capable of providing at least one million people with work immediately.

--We need an accelerated program of public works.
--We need to set interest rates for housing at 6 percent and get hundreds of thousands of construction workers back on the job. There is no way out of a national recession while housing is in a depression.

--We need to see to it that financial assistance comes from the federal government to those state and local governments facing a major fiscal crisis. Unless this is done, they will be forced to cut back drastically on jobs and services or increase taxes substantially.

--Tax cuts and spending programs will be useless if interest rates stay high and credit tight. The policies of the Federal Reserve Board have been a major cause of the current recession.

The policies must be changed, or the Federal Reserve Board itself must be changed.

And we must begin to do a much better job of planning for the future of our economy and for the wise use of our evermore limited resources. If we are to provide a better life for all Americans in the years to come, we must begin to plan for it today. We must restore majority government to get this done.

What bothers me most today, as I look at our country, is the fact that so many of our people and their leaders appear content to set their sights so low. Many seem to have forgotten the tremendous potential this nation has to meet the needs and respond to the hopes of our people.

We seem to have forgotten our great strengths, somehow lost confidence in ourselves, in our people, in America.

We have the most highly trained and able workers in the world.

We have the most advanced science and technology.

We have rich land and able farmers.

We have a Democratic society that has been the envy of the world for almost two centuries.

Yes, we have so much.

That is why it is so frustrating to witness what is going on in America today--the lost pride, the lost confidence and the dwindling hope.

America needs growth and development, not recession and retreat. We need confidence and optimism, not pessimism and defeatism.

We have a vast unfinished agenda for America. It is a national tragedy to be wasting our valuable human, industrial and natural resources with so much that needs doing and so much at hand to do it with.

We have failed to reach our national goal of a decent home for every American family.

Our cities are in desperate need of revitalization.

Our transportation system is grossly inadequate to the needs of a modern economy.

The nation's environment is threatened. And it must be cleaned up. Balance must be restored.

Quality health care becomes further removed from the grasp of millions of our families as its cost soars.

And tremendous improvements are possible in the educational opportunities we provide for our children.

This is no time for the timid or the faint of heart.

These are times of great challenge to America.

These are times that require the bold, imaginative initiatives that we memorialize in the spirits of the great leaders of our party--Franklin Roosevelt, Harry Truman, John Kennedy, and Lyndon Johnson.

We are being robbed of those cherished traditions of

adventure, pioneering, promise, opportunity, and faith in the future that have made America what it is today, the great values that can make America all that we want it to be tomorrow.

The role of the Chairman of the Joint Economic Committee, and of every member of Congress, is to commit ourselves fully to seeing that our nation's great potential is set free.

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June 17, 1975 HHH Remarks at "Know Your Chairmen" Luncheon Sponsored by National Democratic Club

Thank you Neal, ~~As~~ I listen to that introduction it seems to me that I have a hard time keeping a job. I hope that you didn't draw those conclusions even though it seemed very obvious to me.

I have a very special pleasure today before I serenade you for a little while on matters relating to the Joint Economic Committee. I have the pleasure, my good fellow Democrats and friends, to announce a special order of business before this meeting. The Democratic National Congressional Committee and the Democratic Senatorial Campaign Committee, as you know, have held an annual dinner for the past 13 years. These dinners have provided campaign funds to maintain and expand our majority in the Congress, and apparently it worked quite well. Now, the Executive Directors of the Congressional Dinner Committee are two well-known Democrats Neal and Fran Roach. It is therefore my honor, ~~with the cooperation of this young fellow over here~~, to award certificates of appreciation to both of them as Neal becomes a new Vice Chairman of the National Democratic Club. ~~Come up here.~~ ~~Where's Fran?~~ ~~P Fran while you are coming up here~~ I am going to take the liberty of reading what it says on the plaque. It's a very beautiful plaque. It says, "The Democratic membership of the 94th Congress of the United States presents this certificate of appreciation to Neal Roach, and another one identical to Frances Roach, for outstanding service." This plaque should have been presented a little while ago, ~~but~~ it is signed by Mike Mansfield, our Majority Leader of the Senate, Carl Albert, the Speaker of the United States House of Representatives. To you Fran, I want to present this and it gives me a special pleasure to do so because you are a dear friend. ~~FRan you sit right up here, we want you with~~ ^{us} ~~you to lend a little more class here to our head table, and its much.....~~

Now look friends this is like a family get together. This is entitled "Get to Know Your Chairmen." I have been in Congress a long, long time. I think I'm beginning my, ~~I've forgotten how many years it is.~~ I think this is my 21st year in the United States Senate and I have never had a chance to be a chairman of anything. That is a fact. And finally in this year, I became chairman of the Joint Economic

Committee.. We had to amend the rules of seniority and a few other things to get this done, but basically ^{I had the} with the cooperation of a lot of good friends. ¶ I am very honored to be chairman of this, what I believe to be important enough to be established by an act of Congress under the Employment Act of 1946. This Committee is not legislative, it is consultive, advisory, educational, ^{and} informative. It has as its responsibility, under the Employment Act of, 1946 to advise the Congress of the United States on economic policy, and ^{and} because it is a joint committee it speaks for itself, its members are of the House and the Senate. ¶ The Chairmanship ^{every two years} every two years rotates between the senior member of the House or the Senate on the committee. We have a bi-partisan committee, ~~we have~~ a very competent professional staff and I believe that this committee over the years has done a very, very good job. It is the counterpart of the President's Council Of Economic Advisors and we are supposedly the economic advisers, at least in part, to the Congress. I hope that we are fulfilling that function. We hold many of our hearings right in this room. ¶ And let me tell you that I have found it an exciting experience to be a member of this committee. Its like going to a post-graduate seminar in the field of economics and social policy. I come out of many of these hearings truly excited and inspired; ^{although} sometimes discouraged, ~~sometimes~~ but generally learning something. You know when you cease to learn you are really dead and just don't know it. I have found that this committee has really just given me a whole new set of feelings about the politics and the economics of our country. I thought I knew a ~~little~~ little something about it as a person in public life and one who had spent a good deal of his time in ~~the~~ ~~university~~ university circles, both as a student and as a teacher. But when you hear from the people who are in the real world of economic production, our labor leaders, our business leaders, our financial leaders, our top economists in government, in the academic community, the advisors to the people who are in charge of money management in financial institutions. ^{And} When you have citizens who come into our ^{on} subcommittees ~~of the~~ Consumer Economics Subcommittee, Economic ^{Progress} Priorities, the Energy Subcommittee and so forth, you begin to get a

grasp of the immense problem, the immensity or the enormity of the problems that confront our country ~~and~~ in the economic and social sphere, but you also begin to see that through reason, through accommodation, through understanding that we can do better. ~~and~~

P You know there was a time if I talked to you I would talk to you about a kind of a perfect world we ought to live in, I've gotten over that. I've been studying the constitution. I thought I always had, but I studied it much more in the light of recent events, and what the constitution ought to mean to us. And you know, the whole thrust of that constitution is to do better; to form a more perfect union. Not a perfect union, but a more perfect union. And then it tells us ~~and~~ some other things that we need to remember. It starts out by reminding us that the government is we the people. We, the people. This immortal document places the emphasis on we the people, underlying our belief in government by the consent of the governed. Not ~~just~~ we the Democrats or we the rich or the affluent or the poor or the whites or the blacks or the Republicans, but we the people. And we have got to remember that as a political party and I have to remember that as a member of Congress and I hope that our nation remembers that. P And then it lays out for us what our goals are. We often have people say, if we only knew what our goals were in America we could do better. You know you've heard it time after time. We say we're short on _____ we're always dealing with minutiae. We don't have any goals. Yes we have. The first goal is to make this a better republic. We the people in order to form a more perfect union, with the Founding Fathers knowing it was a very difficult assignment. And then it goes right on and lay out what we were supposed to do. The very next words after you have formed the union, so to speak, the Republic, is to establish justice. Now what does that word mean. Be fair. Just be fair. Be considerate. Establish justice. And when we give it in our pledge of allegiance we say justice for all. I often said to these school children as I ^{I've} ~~have~~ ^{to} talked to them that the pledge of allegiance is not a statement of accomplishment it is a statement of purpose. You know

with liberty and justice for all we haven't had liberty and justice for all, but it is our constant challenge. ^P Then in our constitution after that establish justice, ^{is to insure} to assure domestic tranquility. Now that doesn't mean apathy or indifference. Its like that Hebrew word "shalom." ^{peace,} A sense of harmony, things pulling together. Working together which releases great energy. You know the American people are an energetic people and when they get tired, and I hear some people say they are, and I know there are some ~~people~~ people that think that you prove you're a great intellectual by acting like you're tired. The Hell with them. I don't believe that at all. I ~~think~~ ^{think} the whole purpose of this country is action, action. ^P Yes we'll meditate, but after the meditation the purpose of knowledge ~~is~~, as a great spiritual leader once said, ^{is} action. Not to just sit and meditate. So we want to assure domestic tranquility. Release the talents and the energies of people and that great sense of harmony that comes and that sense of tranquility. And then to provide for the common defense. Recognizing that there is no defense or pall against anything, disease or war or whatever else it might be, unless it is done together. And we have to think in terms of our common defense and then to promote the general welfare and I think that has been the central phrase of the constitution. That and establishing justice has motivated great Democratic leaders. Promoting the general welfare. Recognizing that the strength of our country is no better than its weakest link. ^P Finally, the blessings of liberty. And I just love that phrase, blessings of liberty. And you don't abuse blessings. You are grateful for them. Reverently grateful for them. The blessing of liberty for ourselves and our posterity. And that what the constitution is all about. The original lesson in American government. And that's got to be the motivating philosophy ^{and} the guiding principles of everybody that wants to do better for this country. ^P As I said, we are trying to use our committee structure here, this Joint Economic Committee, ~~structure~~ hopefully to do a little better, to guide our country in better ways. And I have tried to learn and to be just a little better. We are in a situation today that you all know, but, again as an old teacher, I have found out ^{that} through repetition is the name of the game. Despite the headlines of last week that said that

the forces of economic recovery were under way, the doom story of yesterday said that our production was still declining. We are not getting out of our trouble by official pronouncements. Any more than we are going ~~any~~ to get into trouble by people just bellyaching. We're going to get out of our difficulties by an action program. By knowing what's wrong and then trying to ~~design~~ design policies that will put us ~~on~~ on the right track. So I do not join in the Hallejuah chorus that somehow or other everything is just righting itself properly. I hope it is. No one hopes more than I do. I have been accused of being Washington's greatest optimist over the years. They said it was even congenital. But I am also realistic. I've lived through depression and recession, I'm not a child & I think I do understand ~~the economic forces~~ some of the economic forces that are at work and I know that we are going through the most serious recession since the great depression. ^PAND I'll tell you what we've got. We've got a kind of an economic Vietnam. Let me explain it to you. Vietnam saw two, three, four, five hundred thousand finally of our men off in a far away place, ten thousand miles away. ^{AND} we didn't understand it, we didn't know much about the area that we were in. When I say we, I mean the other 210 million Americans and we sort of thought we could separate the 500,000 that were over here fighting the war from the 210 million ~~people~~ people that were back here. Finally, we found out that even though there ^{were} only a ~~handful~~ half a million there out of this huge population, ~~that~~ it stirred up discontent, division, bitterness, hatred, ~~emotion~~, until the whole society was permeated. ~~Until~~ ^W We were in a sense contaminated by it and we had to purge outself of it. ^P Ladies and Gentlemen I heard the ^PPresident say that inflation affects everybody but recession and unemployment ^{are} is limited to those who are directly its victims. Not at all. Unemployment affects every human being in this society. It in a sense distorts the total economy. It does things to us. It changes our pattern of thought ^{and} our sense of attitudes. ^{AND} like the war in Vietnam it will poison us unless we overcome it. It will corrupt ~~us~~, corrode us and pollute us and that is why I have said and repeatedly said over the ~~last~~ two years that while we had double digit inflation to be sure, ~~that~~ the real issue ~~the sickness~~ that

was whipping America was the sickness of idleness and lost production ^{from} of unemployment. And it still is, ladies and gentlemen. ^P I am happy to tell you or I should say I can tell you with confidence that the Joint Economic Committee ^{over a} months ago, year ago, before the recession was in full bloom, before the statistics revealed it, said this was what the problem was and we were predicting way better than a year ago that the recession was upon us. We foresaw ^{un} employment climbing and we put it in re???(sounds like recourse) Unemployment's ~~rising~~ ^{above} to 9 percent or above, and people said how ridiculous can you be.

Remember when George Meany said that unemployment might get to 10 percent. And people said how in the world could he say anything like that. That is all the "sensible" people. All the "rational" people.

^P There's Mr. Meany, you know a labor leader, he is exaggerating. Well, dear friends he didn't exaggerate at all. He proved himself to be a prophet, but might I say a conservative prophet. But while the unemployment rate today is approximately 9.2% in official figures, the real ^{un}employment rate is 12%. If you put in those who have given up looking for jobs and no longer registered in the employment force, ^{and} if you put in those who have half-time jobs and want full-time work its 12%. Now let me tell you more specifically what it means. It means that this year ~~22~~ 28 million of our fellow citizens that lose a job sometime during this year ~~unemployment~~ ^{un} are employed for a period of over two to three months of lost income. It means that 75 million Americans will be touched by unemployment in their families, where the breadwinners, the people that bring home the income, are without work, ^{and} those plus their children will ^{add} total up to one-third of the entire population of the United States. ^P I listened to the President of the Federal Republic of Germany just a little while ago and he told us then that our national security, ~~and our~~ alliance and our mutual security depended in ~~Germany~~ the first place upon the health of our economy. We content ourselves with building weapon systems at unbelievable costs and ignore the fact that millions of our

fellow citizens are being cut out of the action and being told there is no place for them. Remember this. Unemployment is not a statistic that we bandy around in these rooms. It is a personal tragedy. Unemployment is the unofficial way of a society saying to a citizen you are not needed. Its a way of saying get out of our way. Drop dead. Its a way ~~of~~ that the economy/says there is no room for you here in the factory just like somebody once said there is no room in the inn. ^P And I remind you of what John Stewart Mills, the great English philosopher once said, "Let a man have nothing to do for his country and he shall have no love for it." You want patriotism, the Bicentennial. You want us to love the flag, the nation, the republic and the Declaration of INdependence that commits us to the pursuit of happiness and life and liberty. You want young Americans to love this land AND ~~XXXXXXXXXXXXXXXXXXXX~~ not be disenchanted; then give them something to do in America. More people tell me its difficult. Well that's why it needs to be done. If it weren't difficult we wouldn't have to spend our time at it. ^P But I am here to tell you there are things that need to be done in America and its time that we Democrats, who have been the most compassionate of all in public life, do them. We're the ones for Social Security, we're the ones for unemployment compensation, ~~what~~ we designed all this. We designed the food stamps, all of which is good but all of it is but a band-aid. All of it is but an economic and social aspirin to relieve the pain that never gets at the cure and I do not want us to become content and be able to write out checks to someone that is unemployed and think that is the answer. ^P That's been what has been wrong in this country friends. When our families got in trouble our kids got in trouble, they said buy him a car or a bicycle or give him a trip to Europe. Maybe that will cure it. When something went wrong in the family we said well give her a coat or get Dad this or something else. Write a check. Whenever our diplomacy went wrong write out another check. Send some more military assistance; some more economic aid. We are doing the same thing on the problem of unemployment. We are saying no to these folks that are without a job. We can't let them starve, we've come that far so we'll see that they get ^{an} unemployment compensation check. Or we'll see that they get welfare. Or we'll see that they get this or that.

Thank God we have that. We had to fight like a tiger to get that. ^P But ladies and gentlemen let us not let the pain relievers keep us away from finding out the disease. What's wrong with us. Let us not permit ourselves to take the economic and sociable aspirins and Excedrins or ~~whatever~~ whatever else it may be and think the ^I somehow or another we have cured our problem. We have not. And I am here to tell this audience that if you have ¹⁵ fifteen percent of the black male adults in America without jobs, ~~If you have~~ 42% of the teen-agers in the inner city without jobs. ^{and} ~~If you have~~ 24% of all teenagers in America without jobs you have got a problem. ~~You've got a problem.~~ Not only an ~~economic~~ economic problem, but a social, ~~and~~ political and moral problem of unbelievable consequences. We're not coming to grips with it. We're not getting the leadership in the White House and we're not getting enough of it in Congress. And I want to warn my fellow Democrats we have got the majority, we've got to ~~show~~ deliver and if the President vetoes it, that's his responsibility and we'll take it to the electorate in 1976 and fight it out.

^P As we sit here today, ~~30%~~, better than 30% of the entire American industrial plant is idle. And yet we had the Secretary of Defense telling us the way to be strong is to build a B-1 or a new weapons system. As we sit here today, millions of our fellow citizens are idle, doing nothing, and we say that we are a powerful nation. Well we can be and we have every right to be, but these staggering statistics that one could drag up here represent an ~~economic~~ economic and social nightmare. The simple truth is they don't need to be. They are the result of miscalculations, of misguided policies, of stops and gos and zigs and zags, of gimmicks and of vetoes and God only knows what. And the American people have been paying the price. It wasn't always that way. Not that we're perfect. Because that is the last thing anyone can ~~claim~~ claim. ^P To put today's ~~w~~ economic situation in proper focus let me just give you some indicators. Take a look at when Richard Nixon came into the White House in 1969. In case you have forgotten, the Republicans in 1969 inherited an economy where

unemployment stood at 3.3%. Today it stands at 9.2% using the same Bureau of Labor statistics. ~~The same set of what we call indicators and all that they have to judge the unemployment rate.~~ In 1968, the last year of the Johnson-Humphrey administration, inflation rose about 4 1/2%. Last year Republican economic policies produced a rate of inflation of 12.2%. At least they made a substantial contribution. During the 1960's our economy grew at the average rate of 6% ^{percent} per year. Since the Republicans came into the White House, that rate has been reduced by 2/3rds and in the recent two quarters instead of gaining ^{1.5} ~~its~~ going down. It is slipping ^{down} into a negative growth position. During the 1960's the buying power of the average American worker's paycheck, ~~and we have said that we are the party friendly to the working people of this country, and listen to this.~~ The average American worker's paycheck grew at about 4% per year in true value. Taking into account the inflation factor, ~~true income purchasing power.~~ This year it has dropped all the way back to the 1964 level. ^P The American workers lost 11 years of economic benefits as of this day of June 17th, 1975. In the 1960's we were building ^{homes} ~~houses~~ at the rate of a million and a half to two million a year. Today we are at half that rate. During the 1960's we reduced the number of Americans living in poverty by over 10 million. In the 1970's all 10 million or more have slipped back into poverty and we find ~~ourselves~~ ourselves in a condition more precarious and more distressing than in 1961 when John Kennedy became President of the United States. These statistics ~~are~~ are the tragic testimony that comes before the Joint Economic Committee. These are not Humphrey figures. This is known to everybody, and they are the sad testimony to the total bankruptcy of Republican Economic policy. Trickle down economics, the lack of concern for the we the people. ^P I got to tell you quite honestly I get very sick of it and I must say that I suppose I pontificate and protest too loudly but it's just an outrage ~~to me~~ to me that we ~~will~~ permit this to happen to our country when it doesn't need to be. Of course, the Administration and the Federal Reserve ^{have} had been obsessed by inflation. It does not seem ~~down~~ to understand that half of the inflation was due to the energy crisis, that is the OPEC company prices on oil and the ripple effect of energy prices on everything

from fertilizer ^{and} chemicals to aluminum foil and children's clothing. It seems oblivious to its own statistics which clearly show today that the ~~rate~~ ^{rate} ~~of~~ ^{increase in} inflation is dropping off precipitously, ~~and~~, of course, its dropping off precipitously because the working people of America and many a businessman in America is paying the price for recession which lowers demand which has lowered, of course, the rate of inflation. ^P Yet, dear friends we have ~~the~~ testimony before this committee that says that everybody that ~~knew~~ ^{knew} what was going on that ~~had any real sensitivity about this~~ ~~and~~ knew that a recession was under way sixteen months before it hit, before the figures started to reveal. And yet the ^P President of the United States up until Christmas of this last December, was asking for an increase in taxes on the American people, as a way, he said to stop the raging fires of inflation. ~~They~~ They have been following the wrong course. You don't cure a ~~the~~ raging fever by amputating somebody's leg. ~~You don't~~ It may take your mind off the pain and the ache for a while, but it is no cure. So what we've seen here is just a bankrupt social policy. ^P We Democrats in Congress, must bring ourselves together and we better do it quickly because people are getting impatient and ~~they~~ they are rightly very critical. To devise a kind of economic recovery program that the nation so desperately needs. I can't stand up here alone and give you a total economic recovery program, ^{but} I can give you one that I think is all right. My friend Leon Keyserling is out here, I saw him a minute ago, he ~~has~~ addressed us ~~before~~ ^{it was} this committee and by ~~the way~~ Leon some of the finest testimony we have ever heard. I want to compliment you. ~~It was excellent~~

^P I am here to say that the public doesn't understand all of the niceties of the committee structures of Congress, they don't understand all of this business. They elected us to do something. The ~~president~~ ^P President never got elected you know, ~~Neither~~ ^{nor} the ^P Vice President. The only elected ones for their respective jobs by the people are the members of the Congress of the United States. That's why we have a special responsibility. Every day costs this country hundreds of millions ^{of} dollars. Every ^{percent} 1% increase in unemployment costs the federal treasury ⁴ 22 billion ~~dollars~~. That's a loss of income and ~~an~~ additional social welfare costs that go ~~into~~ in because we have to pick up the unemployment compensation, welfare, so forth.

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That's where your deficit comes from. Don't you buy this business that we spent ourself into this. The real truth is we didn't do enough. We have had administrations and presidents that have flaunted the constitution and the law by ~~impounding~~ ^{impounding} the funds and holding back when we ought to have been building. ~~Joe Keenan had to leave here today but~~ take a look at what's happened in the building trades; the unemployment, take a look at the need of construction in this country as we sit here and pay out millions of dollars in ~~unemployment~~ compensation. We have had to go to court, we have ~~had~~ had to pass new laws to ~~compel~~ compel an administration to do what the Congress says it ought to do.

REMARKS BY SENATOR HUBERT H. HUMPHREY

NATIONAL DEMOCRATIC CLUB

WASHINGTON, D.C.

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IT IS A PLEASURE FOR ME TO BE WITH YOU TODAY TO PARTICIPATE IN THE NATIONAL DEMOCRATIC CLUB'S MONTHLY "KNOW YOUR CHAIRMAN" LUNCHEON.

YOUR INVITATION HAS GIVEN ME AN OPPORTUNITY TO REFLECT A BIT ON THE DIRECTION IN WHICH THE JOINT ECONOMIC COMMITTEE HAS BEEN MOVING.

THE JOINT ECONOMIC COMMITTEE WAS ESTABLISHED BY CONGRESS UNDER THE EMPLOYMENT ACT OF 1946. ITS BASIC RESPONSIBILITY IS TO ADVISE THE CONGRESS ON ECONOMIC PROPOSALS OF THE PRESIDENT.

DURING THE LAST SIX MONTHS, THE JOINT ECONOMIC COMMITTEE, WITH THE ASSISTANCE OF A VERY TALENTED EXPERT STAFF, HAS HELD EXTENSIVE HEARINGS ON THE STATE OF THE NATION'S ECONOMY AND DEVELOPED A NUMBER OF SPECIFIC PRACTICAL PROPOSALS TO RESTORE THE NATION TO SUSTAINED ECONOMIC GROWTH WITH FULL EMPLOYMENT.

BY AND LARGE, I BELIEVE THAT THE ADVICE THE COMMITTEE HAS PROVIDED TO THE CONGRESS HAS BEEN VERY GOOD. HOWEVER, SINCE THE JOINT ECONOMIC COMMITTEE IS NOT A LEGISLATIVE COMMITTEE, WE CAN ONLY INFLUENCE CONGRESSIONAL ACTION IN AN INDIRECT WAY. AS YOU CAN IMAGINE, THIS CAN, AT TIMES, BE A VERY FRUSTRATING POSITION TO BE IN.

L GIVEN THE FACT THAT THE NATION IS TODAY IN ITS WORST
ECONOMIC CONDITION SINCE THE GREAT DEPRESSION, AND THE
FACT THAT THE REPUBLICAN PARTY NOW CONTROLS THE WHITE
HOUSE, THE IMPORTANCE OF THE JOINT COMMITTEE TO THE
DEMOCRATIC PARTY AND TO THE NATION HAS NEVER BEEN GREATER.

L OVER A YEAR AGO, WE IN THE JEC WERE PREDICTING THE
RECESSION THAT NOW IS UPON US. WE FORSAW UNEMPLOYMENT
CLIMBING ABOVE 9 PERCENT AND REFUSED TO ACCEPT THE ROSY
PREDICTIONS OF THE PRESIDENT AND HIS ECONOMIC ADVISORS.

L WHEN GEORGE MEANY TALKED LAST YEAR, FOR EXAMPLE, OF
UNEMPLOYMENT RISING TO 10 PERCENT, WE DID NOT DISPUTE IT,
AS THE ADMINISTRATION AND OTHERS DID. NOW, IF YOU ADD

PART-TIME WORKERS UNABLE TO FIND FULL-TIME JOBS AND THOSE SO PESSIMISTIC ABOUT JOB PROSPECTS THAT THEY NO LONGER ARE EVEN LOOKING, IT TURNS OUT THAT MR. MEANY WAS IN FACT CONSERVATIVE.

↳ THE REAL UNEMPLOYMENT RATE IN THE UNITED STATES TODAY IS A TRAGIC 12 PERCENT.

↳ AS YOU KNOW, EVEN THIS NUMBER HIDES RATES OF UNEMPLOYMENT THAT ARE MUCH LARGER FOR CERTAIN GROUPS IN OUR SOCIETY AND FOR CERTAIN PLACES IN THE COUNTRY.

↳ THE UNEMPLOYMENT RATE FOR TEENAGERS IS 23 PERCENT, FOR BLACK TEENAGERS, 40 PERCENT, FOR CONSTRUCTION WORKERS IN ST. PAUL, MINNESOTA, OVER 30 PERCENT AND FOR THE CITY OF DETROIT, NEARLY 25 PERCENT.

THESE RATES OF UNEMPLOYMENT, CONDONED BY THE ADMINISTRATION AS NECESSARY TO CONTROL INFLATION, ARE ECONOMICALLY, POLITICALLY AND SOCIALLY UNACCEPTABLE.

THESE FIGURES REPRESENT AN ECONOMIC NIGHTMARE FOR THE AMERICAN PEOPLE. SO IT IS IMPORTANT THAT WE KNOW HOW WE GOT INTO THIS MESS.

FOR THE LAST SIX YEARS, THE MISTAKES, MISCALCULATION, AND MISPLACED PRIORITIES OF THE TWO REPUBLICAN ADMINISTRATIONS HAVE DERAILED THE NATION'S ECONOMY AND THROWN MILLIONS OF ITS WORKING FAMILIES INTO A DITCH. THE JOINT ECONOMIC COMMITTEE HAS CALCULATED THAT 75 MILLION AMERICANS WILL BE DIRECTLY AFFECTED BY UNEMPLOYMENT IN THEIR IMMEDIATE FAMILIES AT SOME POINT THIS YEAR.

To PUT TODAY'S ECONOMIC SITUATION INTO PERSPECTIVE, LET'S

RECALL THE CONDITION OF THE AMERICAN ECONOMY IN 1969 WHEN

RICHARD NIXON FIRST ENTERED THE OVAL OFFICE,

IN CASE YOU HAVE FORGOTTEN, THE REPUBLICANS IN 1969

INHERITED AN ECONOMY WHERE UNEMPLOYMENT STOOD AT 3.3 PERCENT.

TODAY, IT STANDS AT 9.2 PERCENT AND IS MOVING TRAGICALLY

UPWARDS.

IN 1968, THE LAST YEAR OF THE JOHNSON-HUMPHREY ADMINISTRA-

TION, INFLATION ROSE BY 4.7 PERCENT. LAST YEAR, REPUBLICAN

ECONOMIC POLICIES PRODUCED A RATE OF INFLATION OF 12.2 PERCENT.

DURING THE 60'S, OUR ECONOMY GREW AT AN AVERAGE RATE OF

6 PERCENT EACH YEAR. SINCE THE REPUBLICANS CAME INTO THE

WHITE HOUSE, THAT RATE HAS BEEN REDUCED BY TWO THIRDS.

h DURING THE 60'S, THE BUYING POWER OF THE AVERAGE AMERICAN
WORKER'S PAYCHECK GREW BY ABOUT 4 PERCENT A YEAR. THIS YEAR
IT HAS DROPPED ALL THE WAY BACK TO THE 1964 LEVEL.

h DURING THE 60'S, WE REDUCED THE NUMBER OF AMERICANS
LIVING IN POVERTY BY OVER 10 MILLION PEOPLE. IN THE 70'S
ALL THESE GAINS HAVE BEEN WIPED OUT.

h FINALLY, IN THE 1960'S WE WERE-BUILDING HOMES AT THE
RATE OF 1.5 TO TWO MILLION UNITS A YEAR. TODAY WE ARE
BUILDING AT ABOUT HALF THAT RATE.

h ~~These~~ ~~THE~~ STATISTICS ARE ~~TRAGIC~~ BUT ELOQUENT TESTIMONY TO
THE TOTAL BANKRUPTCY OF REPUBLICAN ECONOMIC POLICY.

h THIS IS NO TIME FOR HALF-HEARTED, TRADITIONAL, DO-
NOTHING, TRICKLE DOWN CONSERVATIVE ECONOMIC POLICIES.

↳ THE FORD ADMINISTRATION IS TELLING US THAT THE ECONOMY
IS BOTTOMING OUT. ↳ THEY ARE TELLING US THAT RECOVERY IS JUST
AROUND THE CORNER. ↳ THEY ARE TELLING THE AMERICAN PEOPLE THAT
THEY MUST LET NATURE TAKE ITS COURSE.

↳ UNFORTUNATELY, THE ADMINISTRATION AND THE FEDERAL RESERVE
BOARD STILL ARE OBSESSED WITH INFLATION. THEY STILL ARE
CONVINCED THAT MORE UNEMPLOYMENT AND LOWER INCOMES MUST BE
ENDURED IN ORDER TO FIGHT INFLATION.

↳ I REJECT THIS "SEE-SAW THEORY" OF ECONOMICS--THE IDEA
THAT UNEMPLOYMENT MUST GO UP TO GET PRICES DOWN.

h THIS ADMINISTRATION DOES NOT SEEM TO UNDERSTAND THAT
OVER HALF OF OUR INFLATION IS DUE SOLELY TO THE OPEC MONOPOLISTS
AND THE RIPPLE EFFECT OF ENERGY PRICES ON EVERYTHING FROM
FERTILIZER AND CHEMICALS TO ALUMINUM FOIL AND CHILDREN'S
CLOTHING. h AND IT SEEMS OBLIVIOUS TO ITS OWN STATISTICS, WHICH
CLEARLY SHOW THAT THE RATE OF INCREASE IN INFLATION IS DROPPING
OFF PRECIPITOUSLY.

h IT IS INCREDIBLE THAT THE PRESIDENT OF THE UNITED STATES
WAS CALLING FOR A TAX INCREASE TO REDUCE CONSUMER'S INCOMES
AND TO HOLD DOWN SPENDING IN DECEMBER OF LAST YEAR. h AND THE
FEDERAL RESERVE BOARD, ~~UNDER THE CONTROL OF DR. BURNS~~, PURSUED
SUCH A RESTRICTIVE CREDIT POLICY IN DECEMBER AND JANUARY THAT
THE MONEY SUPPLY ACTUALLY DECLINED--AN UNHEARD OF EVENT IN
OUR POST-WAR HISTORY.

L IN EACH CASE, THEY WERE FOLLOWING POLICIES DESIGNED
SOLELY TO FIGHT INFLATION. BUT THEY WERE FIGHTING INFLATION,
GENERATED ABROAD, BY PUTTING WORKERS ON THE UNEMPLOYMENT ROLLS
HERE AT HOME.

L YOU DON'T CURE A RAGING FEVER BY AMPUTATING A LEG. THAT
sever - the aches & pains
MAY TAKE YOUR MIND OFF THE HEADACHE FOR AWHILE, BUT IT CERTAINLY
IS NO CURE. L IT IS TRAGIC ECONOMICS, BAD POLITICS, AND
BANKRUPT SOCIAL POLICY WHICH FORCES 8 1/2 MILLION MEN AND WOMEN ON
TO THE STREETS IN THE NAME OF FIGHTING INFLATION.

L THE AMERICAN PEOPLE NO LONGER CAN BE EXPECTED TO SUFFER
UNDER THIS CROWD OF ECONOMIC "NAY SAYERS".

now

WE DEMOCRATS IN THE CONGRESS MUST BRING OURSELVES TOGETHER

TO PROVIDE THE KIND OF ECONOMIC RECOVERY PROGRAM THAT THE

NATION SO DESPERATELY NEEDS UNLESS THIS IS DONE, WE WILL

FORCE OUR CITIZENS TO ACCEPT A DECADE OF CONTINUED ECONOMIC

STAGNATION AND EMPLOYMENT RECESSION.

~~THIS IS NO TIME TO LISTEN TO THE QUAKING VOICES OF THE~~

~~FAINT OF HEART~~ EVERY DAY THAT WE DELAY ^{COSTS} ~~THOUSANDS~~ THOUSANDS OF

ADDITIONAL AMERICANS JOBS AND INCOME.

THERE ARE MANY THINGS THAT WE CAN DO THAT WILL MAKE A
DIFFERENCE, THAT WILL PRODUCE INCOME, THAT WILL PUT IDLE CAPACITY

BACK INTO PRODUCTION, THAT WILL PROVIDE PEOPLE WITH MEANINGFUL

JOBS, THAT WILL RESTORE BALANCE TO THE FEDERAL BUDGET, STATE

BUDGETS, CITY BUDGETS, AND, MOST IMPORTANTLY, THE BUDGETS OF

AMERICAN FAMILIES.

FIRST WE CAN AND WE MUST TAKE BETTER CARE OF THE
UNFORTUNATE VICTIMS OF RECESSION. THIS MEANS BOTH AN EXTENSION
OF UNEMPLOYMENT COMPENSATION AND AN INCREASE IN ITS LEVEL,

TODAY THE AVERAGE UNEMPLOYMENT CHECK IS A MERE \$65 A WEEK--
A NATIONAL DESGRACE,

WE CAN AND WE MUST PROVIDE AN EMERGENCY PROGRAM OF HEALTH
INSURANCE FOR THOSE WHO LOSE COVERAGE ~~BECAUSE~~ THEY ARE NOW OUT
OF WORK.

SECOND, WE CANNOT AND WILL NOT SCRIMP ON SOCIAL SECURITY,
ON RETIREMENT BENEFITS, OR ON FOOD STAMPS, AS THE PRESIDENT
HAS PROPOSED. CONGRESS ^{has} REJECTED THIS CRUEL PROPOSAL.

THIRD, WE MUST GET THE ECONOMY MOVING AGAIN, AND TO DO

THIS:

--WE NEED A GREATLY EXPANDED PROGRAM OF
PUBLIC SERVICE JOBS CAPABLE OF PROVIDING AT LEAST ONE MILLION
PEOPLE WITH WORK IMMEDIATELY. (veto)

↳ --WE NEED AN ACCELERATED PROGRAM OF PUBLIC WORKS.
↳ --WE NEED TO SET INTEREST RATES FOR HOUSING AT

6 PERCENT AND GET HUNDREDS OF THOUSANDS OF CONSTRUCTION WORKERS
BACK ON THE JOB. ↳ THERE IS NO WAY OUT OF A NATIONAL RECESSION
WHILE HOUSING IS IN A DEPRESSION,

↳ --WE NEED TO SEE TO IT THAT FINANCIAL ASSISTANCE
COMES FROM THE FEDERAL GOVERNMENT TO THOSE STATE AND LOCAL
GOVERNMENTS FACING A MAJOR FISCAL CRISIS,

UNLESS THIS IS DONE, THEY WILL BE FORCED TO CUT BACK

DRASTICALLY ON JOBS AND SERVICES OR INCREASE TAXES SUBSTANTIALLY.

h TAX CUTS AND SPENDING PROGRAMS WILL BE USELESS IF INTEREST
RATES STAY HIGH AND ~~CREDIT~~ CREDIT TIGHT. THE POLICIES OF THE FEDERAL
RESERVE BOARD HAVE BEEN A MAJOR CAUSE OF THE CURRENT RECESSION.

THE POLICIES MUST BE CHANGED, OR THE FEDERAL RESERVE BOARD ITSELF
MUST BE CHANGED.

Planning

h AND WE MUST BEGIN TO DO A MUCH BETTER JOB OF PLANNING FOR
THE FUTURE OF OUR ECONOMY AND FOR THE WISE USE OF OUR EVERMORE
LIMITED RESOURCES. IF WE ARE TO PROVIDE A BETTER LIFE FOR ALL
AMERICANS IN THE YEARS TO COME, WE MUST BEGIN TO PLAN FOR IT
TODAY. WE MUST RESTORE MAJORITY GOVERNMENT TO GET THIS DONE.

↳ WHAT BOTHERS ME MOST TODAY, AS I LOOK AT OUR COUNTRY, IS
THE FACT THAT SO MANY OF OUR PEOPLE AND THEIR LEADERS APPEAR
CONTENT TO SET THEIR SIGHTS SO LOW. MANY SEEM TO HAVE FORGOTTEN
THE TREMENDOUS POTENTIAL THIS NATION HAS TO MEET THE NEEDS AND
RESPOND TO THE HOPES OF OUR PEOPLE.

↳ WE SEEM TO HAVE FORGOTTEN OUR GREAT STRENGTHS,
SOMEHOW LOST CONFIDENCE IN OURSELVES, IN OUR PEOPLE, IN AMERICA.

Let me put some.

↳ WE HAVE THE MOST HIGHLY TRAINED AND ABLE WORKERS
IN THE WORLD.

↳ WE HAVE THE MOST ADVANCED SCIENCE AND TECHNOLOGY.

↳ WE HAVE RICH LAND AND ABLE FARMERS.

↳ WE HAVE A DEMOCRATIC SOCIETY THAT HAS BEEN THE
ENVY OF THE WORLD FOR ALMOST TWO CENTURIES.

Yes, WE HAVE SO MUCH.

THAT IS WHY IT IS SO FRUSTRATING TO WITNESS WHAT IS GOING ON IN AMERICA TODAY--THE LOST PRIDE, THE LOST CONFIDENCE AND THE DWINDLING HOPE.

America needs GROWTH AND DEVELOPMENT, NOT RECESSION AND RETREAT. WE NEED CONFIDENCE AND OPTIMISM, NOT PESSIMISM AND DEFEATISM. *We need work, not welfare*

We have a vast UNFINISHED AGENDA FOR AMERICA. It is a NATIONAL TRAGEDY TO BE WASTING OUR VALUABLE HUMAN, INDUSTRIAL AND NATURAL RESOURCES WITH SO MUCH THAT NEEDS DOING AND SO MUCH AT HAND TO DO IT WITH.

We have failed to reach our national goal of a decent home for every American family.

OUR CITIES ARE IN DESPERATE NEED OF REVITALIZATION.

OUR TRANSPORTATION SYSTEM IS GROSSLY INADEQUATE TO THE

NEEDS OF A MODERN ECONOMY,

THE NATION'S ENVIRONMENT IS THREATENED, AND IT MUST

BE CLEANED UP. BALANCE MUST BE RESTORED.

QUALITY HEALTH CARE BECOMES FURTHER REMOVED FROM THE GRASP

OF MILLIONS OF OUR FAMILIES AS ITS COST SOARS,

AND TREMENDOUS IMPROVEMENTS ARE POSSIBLE IN THE EDUCATIONAL

OPPORTUNITIES WE PROVIDE FOR OUR CHILDREN,

THIS IS NO TIME FOR THE TIMID OR THE FAINT OF HEART,

THESE ARE TIMES OF GREAT CHALLENGE TO AMERICA.

THESE ARE TIMES THAT REQUIRE THE BOLD, IMAGINATIVE
INITIATIVES THAT WE MEMORIALIZE IN THE SPIRITS OF THE GREAT
LEADERS OF OUR PARTY--FRANKLIN ROOSEVELT, HARRY TRUMAN,
JOHN KENNEDY, AND LYNDON JOHNSON.

h WE ARE BEING ROBBED OF THOSE CHERISHED TRADITIONS OF
ADVENTURE, PIONEERING, PROMISE, OPPORTUNITY, AND FAITH IN THE
FUTURE THAT HAVE MADE AMERICA WHAT IT IS TODAY, THE GREAT VALUES
THAT CAN MAKE AMERICA ALL THAT WE WANT IT TO BE TOMORROW.

THE ROLE OF THE CHAIRMAN OF THE JOINT ECONOMIC COMMITTEE,
AND OF EVERY MEMBER OF CONGRESS, IS TO COMMIT OURSELVES FULLY
TO SEEING THAT OUR NATION'S GREAT POTENTIAL IS SET FREE.

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